

5.12.2022

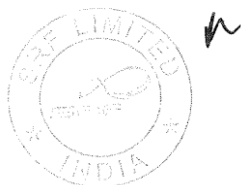
Annexure I

Disclosures to be provided along with the application for listing

1. Issuer details:

1.1.Details of the issuer:

(i) Name, Address, CIN and PAN	SRF LIMITED Address: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi- 110 091 (CIN): L18101DL1970PLC005197 PAN # AAACS0206P
(ii) Line of business	Technical Textiles, Chemicals & Packaging Films
(iii) Chief Executive (Managing Director / President/ CEO / CFO)	Mr. Rahul Jain- President & CFO
(iv) Group affiliation (if any).	None



SRF LIMITED

Block-C Sector-45
Gurugram 122 003
Haryana India
Tel: +91-124-4354400
Fax: +91-124-4354500
E-mail: info@srf.com
Website: www.srf.com

Regd. Office:
Unit No. 236 & 237, 2nd Floor
DLF Galleria, Mayur Place
Noida Link Road
Mayur Vihar Phase-1 Extension
Delhi 110091

Corporate Identity No. L18101DL1970PLC005197

1.2. Details of the directors:

Name, designation and DIN	Age	Address	Director since	List of other directorships
Mr. Ashish Bharat Ram Chairman & Managing Director 00671567	53	2, Silver Oak Avenue Westend Green Farms Rajokari New Delhi 110038	23/05/2005	Kama Holdings Ltd.
				SRF Holiday Home Ltd.
				Shri Educare Ltd.
				TVS Capital Funds Pvt. Ltd
				Havells India Limited
				Orange Farms Pvt. Limited
				Lotus Estates Pvt. Limited
				SRF Flexipak (South Africa) Pty. Limited
				SRF Industex Belting (Pty) Ltd.
				SRF Industries (Thailand) Ltd.
				SRF Altech Ltd
Mr. Kartik Bharat Ram Joint Managing Director 00008557	51	1, Silver Oak Avenue Westend Green Farms Rajokari New Delhi 110038	19/05/2005	KAMA Holdings Ltd.
				Shri Educare Ltd.
				SRF (Nitol) Bangladesh limited
				SRF Industries (Thailand) Ltd.
				SRF Industex Belting (Pty) Ltd.
				Orange Farms Pvt. Limited
				Lotus Estates Pvt. Limited
				SRF Altech Ltd
Mr. Tejpreet Chopra Independent Director 00317683	52	C-1/40 Safdarjung Development Area New Delhi 110016	21/09/2011	Bharat Light & Power Pvt Ltd.
				BLP Industry.AI Private Limited
				BLP Renewal Services Pvt. Ltd.
				Gujarat Pipavav Port Limited
				Indian Energy Exchange Limited
				Tube Investment of India Limited
				Bharat Light And Power Investments Pte Limited
				Bharat Light And Power Group Pte Limited
				Clean AF India Foundation
Mr. Lakshman Lakshminarayan Independent Director 00012554	76	Sharanalaya , G-B No. 11, Prithvi Avenue, 2 nd Street, Chennai- 600018 (Tamilnadu)	11/11/2011	Nil

Mr. Vellayan Subbiah Non Executive & Non Independent Director 01138759	52	7 Valliammai Achi Road, Kotturpuram, <u>Chennai 600085</u> (Tamilnadu)	01/05/2012	Tube Investments of India Limited
				Ambadi Investment Ltd.
				Cherry Tin Online Pvt. Ltd.
				Cholamandalam Investment and Finance Company Limited
				Cholamandalam Financial Holdings Limited
				CG Power and Industrial Solutions Limited
				DOT IOT Technologies Private Limited.
				TI Clean Mobility Pvt. Ltd
				CG Power Americas, LLC
				QEI, LLC
Mr. Pramod Gopaldas Gujarathi Director (Safety & Environment) & Occupier 00418958	70	26, "Yash Bunglow", Dharmsi Park Opp. G.I.D.C Guest house, <u>Post –GIDC Vapi</u> – 396 195 (Gujarat)	01/04/2017	CHEMIESYNTH (VAPI) LIMITED
Ms. Bharti Gupta Ramola Independent Director 00356188	63	E-2244 , Palam Vihar <u>Gurugram-122017</u> (Haryana)	04/02/2019	HDFC Life Insurance Company Limited
				Exide Life Insurance Co. Limited
Mr. Puneet Yadu Dalmia Independent Director 00022633	49	18, Golf Link <u>New Delhi 110003</u>	01/04/2019	Odisha Cement Limited RLJ Family Trusteeship Private Limited SKLNJ Family Trustee Private limited RANDR Trustee Private limited RRJ Family Trustee Private Limited International Foundation and Research and Education Foundation For Pluralistic Research and Empowerment Piramal Enterprises Ltd Piramal Capital & Housing Finance Limited
Mr. Yash Gupta Independent Director 00299621	54	46A, Friends Colony, <u>New Delhi - 110065</u>	01/04/2019	Pureearth Infrastructure Limited Pawan Impex Private Limited YGR Holdings Private Limited
Mr. Raj Kumar Jain 01741527	63	AR 511b, The Aralias, DLF Golf Course Road, DLF Phase 5, Gurgaon- 122009	09/05/2022	JK Agri Genetics Ltd Hippostores Technology Private Limited Clicktech Retail Private Limited Hippostores Platforms Private Limited

1.3.Details of change in directors in last three financial years including any change in the current year:

Name, designation and DIN	Date of Appointment/ Reappointment	Date of cessation (in case of resignation)	Remarks(viz. reasons for change etc)
Mr. Pramod Gopaldas Gujarathi (DIN-'00418958)	01-Apr-2020	Continuing	Re-appointment
Mr. Pramod Bhasin (DIN-'01197009)	25-Jul-2012	04-02-2019	Resignation
Mr. Vinayak Chatterjee (DIN-'00008933)	05-Mar-2002	31-03-2019	Resignation
Ms. Bharti Gupta Ramola (DIN-'00356188)	04-Feb-2019	Continuing	Appointment
Mr. Puneet Yadu Dalmia (DIN-'00022633)	01-Apr-2019	Continuing	Appointment
Mr. Yash Gupta (DIN-'00299621)	01-Apr-2019	Continuing	Appointment
Dr. Meenakshi Gopinath Non Executive, Non-Independent Director (CSR) (DIN-00295656)	28-Oct-2014	31-08-2021	Retirement
Mr. Arun Bharat Ram Executive Chairman, Promoter (DIN-00694766)	01-Aug-1975	01-04-2022	Resignation
Mr. Raj Kumar Jain – Independent Director (DIN 01741527)	09-05-2022	Continuing	Appointment
Mr. Vellayan Subbiah (DIN 01138759) – Independent Director	-	09-05-2022	Resignation as Independent Director
Mr. Vellayan Subbiah (DIN 01138759) Non-Executive & Non-Independent Director	10-05-2022	Continuing	Appointment as Non-Executive & Non-Independent Director

1.4. List of top 10 holders of equity shares of the company as on date or the latest quarter end 30.09.2022:

Top 10 Shareholders As on 30-09-2022					
DPID	ClientId	Name	Total Shares	% To Equity	Category
IN303559	10030080	KAMA HOLDINGS LIMITED	14,96,45,000	50.483289	PRC
IN300054	10077091	AMANSA HOLDINGS PRIVATE LIMITED	1,08,22,051	3.650859	FPC
IN301524	30024640	KOTAK FLEXICAP FUND	78,50,000	2.648226	MUT
IN301524	30042994	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	23,77,668	0.802115	QIB
IN303786	10000949	SBI EQUITY HYBRID FUND	23,50,000	0.792781	MUT
IN300812	10489792	SBI LIFE INSURANCE CO. LTD	23,23,154	0.783725	QIB
11700	1201170000106284	AKASH PREM PRAKASH	22,95,000	0.774227	NRN
IN300142	10753517	KOTAK FUNDS - INDIA MIDCAP FUND	22,88,890	0.772165	FPC

IN303438	10016654	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERI	19,60,946	0.661532	FPC
IN300708	10656671	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY M	19,45,611	0.656359	IEP
Total			18,38,58,320	62.025278	

1.5. Details of the statutory auditor:

Name and address	Date of appointment	Remarks
M/s BSR & Co. LLP, Chartered Accountants, New Delhi	05-Aug-2018	

1.6. Details of the change in statutory auditors in last three financial years including any change in the current year:

Name, address	Date of appointment/ resignation	Date of cessation (in case of resignation)	Remarks (viz. reasons for change etc)
M/s Deloitte Haskins & Sells, Chartered Accountants Gurgaon	25-Jul-2008	5 th August 2018	Completion of tenure
BSR & Co. LLP	05-Aug-2018	Continuing	

1.7. List of top 10 debt securities holders (as on 30.0.2022):

S. No.	Name of holder	Category	Face value	Holding of debt securities as a percentage of total debt securities outstanding of the Issuer
	N.A.			

1.8. List of top 10 CP holders (as on 30.09.2022):

S. No.	Name of CP holder	Category of CP Holder	Face value of CP Holding	CP holding percentage as a percentage of total CP outstanding of the issuer
1.	ICICI Prudential Mutual fund	Mutual Fund	450 crores	90%
1.	Invesco Mutual Fund	Mutual Fund	50 crores	10%

2. Material Information:

2.1. Details of all default/s and/or delay in payments of interest and principal of CPs, (including technical delay), debt securities, term loans, external commercial borrowings and other financial indebtedness including corporate guarantee issued in the past 5 financial years including in the current financial year.	None
2.2. Ongoing and/or outstanding material litigation and regulatory strictures, if any.	No material litigation except as given in the financials & No regulatory strictures except as given in the financials
2.3. Any material event/ development having implications on the financials/credit quality including any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event which may affect the issue or the investor's decision to invest / continue to invest in the CP.	There has been no material event/development having implications on the financials/credit quality of the Company.

3. Details of borrowings of the company, as on the latest quarter end (30.09.2022):

3.1. Details of debt securities and CPs:

Series	SIN	Tenor/ Period of maturity	Coupon	Amount issued	Date of allotment	Redemption date/ Schedule	Credit rating	Secured/ Unsecured	Security	Other Details viz. Details of IPA, Details of CRA
Not applicable										

3.2. Details of secured/ unsecured loan facilities/ bank fund based facilities/ rest of the borrowing, if any, including hybrid debt like foreign currency convertible bonds (FCCB), optionally convertible debentures / preference shares from banks or financial institutions or financial creditors, as on last quarter end:

Lender' s name/ Name of the Bank	Nature of facility/ instrument	Amount sanctioned	Principal Amount outstandi ng	Repay ment date / schedul e	Securit y, if applica ble	Credit rating, if applica Ble	Asset classification
Refer Annexure – 1 attached							

3.3. The amount of corporate guarantee or letter of comfort issued by the issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued, contingent liability including debt service reserve account (DSRA) guarantees/ any put option etc.	None
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4. Issue Information:

4.1. Details of current tranche including ISIN, amount, date of issue, maturity, all credit ratings including unaccepted ratings, date of rating, name of credit rating agency, its validity period, declaration that the rating is valid as at the date of issuance and listing, details of issuing and paying agent and other conditions, if any.

ISIN NO	Issue date	Redemption Date	Amount	Credit Rating	Date of Rating	Name of credit agency	Validity Period	Detail of IPA
INE647A14AB1	05.12.22	06.03.23	Rs.200 Cr	CRISIL A1+	24/11/2022	Crisil Limited	24/12/2022	HDFC Bank Ltd.

4.2. CP borrowing limit, supporting board resolution for CP borrowing, details of CP issued during the last 15 months.

ISIN	Issue Date	Amount (Rs. in Cr.)	Maturity Date	IPA	CRA	Rating	Rated Amount
INE647A14732	17.12.2019	Rs.100 Cr	17.03.2020	HDFC Bank Limited	CRISIL	CRISIL A1+	Rs 600 cr
INE647A14740	28.01.2020	Rs.100 Cr	24.03.2020				
INE647A14757	28.02.2020	Rs.200 Cr	28.05.2020				
INE647A14765	29.04.2020	Rs.200 Cr	28.07.2020				
INE647A14773	19.05.2020	Rs.100 Cr	14.08.2020				
INE647A14781	04.06.2020	Rs.200 Cr	01.09.2020				
INE647A14799	13.07.2020	Rs.100 Cr	30.09.2020				
INE647A14807	28.07.2020	Rs.200 Cr	29.09.2020				
INE647A14815	14.08.2020	Rs.100 Cr	13.11.2020				
INE647A14823	01.09.2020	Rs.100 Cr	01.12.2020				
INE647A14831	12.10.2020	Rs.100 Cr	26.11.2020				
INE647A14849	12.10.2020	Rs.100 Cr	11.12.2020				
INE647A14856	11.02.2021	Rs.50 Cr	30.03.2021				
INE647A14864	10.03.2021	Rs.100 Cr	09.06.2021				
INE647A14872	09.06.2021	Rs.200 Cr	08.09.2021				
INE647A14880	08.09.2021	Rs.100 Cr	08.12.2021				
INE647A14898	14.10.2021	Rs.100 Cr	27.12.2021				
INE647A14906	12.11.2021	Rs.150 Cr	10.02.2022				
INE647A14914	08.12.2021	Rs.100 Cr	04.03.2022				
INE647A14922	27.12.2021	Rs.100 Cr	28.03.2022				
INE647A14930	22.02.2022	Rs.300 Cr	24.05.2022				
INE647A14948	31.05.2022	Rs.100 Cr	30.08.2022				
INE647A14955	21.06.2022	Rs.200 Cr	12.09.2022				
INE647A14963	22.07.2022	Rs.200 Cr	21.10.2022				
INE647A14971	30.08.2022	Rs.100 Cr	28.10.2022				
INE647A14989	12.09.2022	Rs.200 Cr	11.11.2022				
INE647A14997	21.10.2022	Rs.100 Cr	26.12.2022				
INE647A14AA3	11.11.2022	Rs.200 Cr	16.01.2023				

4.3. End-use of funds.	Working Capital Requirements
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4.4. Credit Support/enhancement (if any):

(i) Details of instrument, amount, guarantor company	NA
(ii) Copy of the executed guarantee	NA
(iii) Net worth of the guarantor company	NA
(iv) Names of companies to which guarantor has issued similar guarantee	NA
(v) Extent of the guarantee offered by the guarantor company	NA
(vi) Conditions under which the guarantee will be invoked	NA

5. Financial Information:

5.1. Audited / Limited review half yearly consolidated (wherever available) and standalone financial information (Profit & Loss statement, Balance Sheet and Cash Flow statement) along with auditor qualifications, if any, for last three years along with latest available financial results.

5.2. In case an issuer is required to prepare financial results for the purpose of consolidated financial results in terms of Regulation 33 of SEBI LODR Regulations, latest available quarterly financial results shall be filed.

Latest audited financials should not be older than six month from the date of application for listing.

Provided that listed issuers (who have already listed their specified securities and/or 'Non-convertible Debt Securities' (NCDs) and/or 'Non-Convertible Redeemable Preference Shares' (NCRPS)) who are in compliance with SEBI (Listing obligations and disclosure requirements) Regulations 2015 (hereinafter "SEBI LODR Regulations"), may file unaudited financials with limited review for the stub period in the current financial year, subject to making necessary disclosures in this regard including risk factors.

6. Asset Liability Management (ALM) Disclosures:

NBFCs seeking to list their CPs shall make disclosures as specified for NBFCs in SEBI Circular nos. CIR/IMD/DF/ 12 /2014, dated June 17, 2014 and CIR/IMD/DF/ 6 /2015, dated September 15, 2015, as revised from time to time. Further, "Total assets under management", under para 1.a. of Annexure I of CIR/IMD/DF/ 6 /2015, dated September 15, 2015 shall also include details of off balance sheet assets.	NA
HFCs shall make disclosures as specified for NBFCs in SEBI Circular no. CIR/IMD/DF/ 6 /2015, dated September 15, 2015, as revised from time to time with appropriate modifications viz. retail housing loan, loan against property, wholesale loan - developer and others.	NA



Annexure-1 (Outstanding on 30 Sep 2022

Amount Rs. Lakh

(RTL/ECB/WCDL/P
CFC etc)

Lender Name / Bank Name	Nature of Facility	Amount sanctioned		Principal outstanding- INR	Repayment schedule / date	Security, if applicable	Credit Rating	Asset classification
		Amount INR Lakh	Amount USD/EUR Mn					
HDFC	RTL	25000		17,187.50	Last installment due in April 2025	Pari-passu charge on specified fixed assets and current assets	Ind AA+	Standard
IFC	ECB		USD 40 Mn	13,041.69	Last installment due in April 2025	Exclusive Charge on New DTA BOPET/BOPP Line at Indore.	Ind AA+	Standard
SBI Frankfurt	ECB		EUR 50 Mn	20,978.68	FCTL EUR -Last installment due in Feb 2025.	Pari-passu charge on specified fixed assets and current assets	Ind AA+	Standard
HSBC	ECB		USD 25 Mn	7,275.00	Last installment is due in Oct 2023	Pari-passu charge on current assets and fixed assets	Ind AA+	Standard
MUFG	ECB		EUR 20 Mn	7,158.60	Last installment due in April 2023	Pari-passu charge on specified fixed assets	Ind AA+	Standard
KMB FCTL	FCTL		USD 39.75 Mn	29,797.24	Last installment due in March 2025	Pari-passu charge on specified fixed assets and current assets	Ind AA+	Standard
HSBC GIFT CITY INDIA	ECB		USD 30.00	24,444.00	Last installment is due in March 2025	Pari-passu charge on specified fixed assets and current assets	Ind AA+	Standard
SMBC ECB	ECB		USD 30.00	24,444.00	Last installment is due in March 2027	Pari-passu charge on specified fixed assets and current assets	Ind AA+	Standard
MUFG PCFC	PCFC		USD 10.00	8,148.00	04-Oct-22	Unsecured	Ind AA+	Standard
SMBC PCFC	PCFC		USD 7.50	6,111.00	04-Oct-22	Unsecured	Ind AA+	Standard
MUFG PCFC	PCFC		USD 5.00	4,074.00	11-Oct-22	Unsecured	Ind AA+	Standard
MUFG PCFC	PCFC		USD 2.00	1,629.60	20-Oct-22	Unsecured	Ind AA+	Standard
MUFG PCFC	PCFC		USD 3.00	2,444.40	02-Dec-22	Unsecured	Ind AA+	Standard
SMBC PCFC	PCFC		USD 7.00	5,703.60	02-Dec-22	Unsecured	Ind AA+	Standard
MUFG PCFC	PCFC		USD 3.00	2,444.40	15-Dec-22	Unsecured	Ind AA+	Standard
MUFG PCFC	PCFC		USD 2.50	2,037.00	21-Dec-22	Unsecured	Ind AA+	Standard
SCB PCFC	PCFC		USD 2.00	1,629.60	16-Oct-22	Secured	Ind AA+	Standard
SBI PCFC	PCFC		USD 5.00	4,074.00	24-Feb-23	Secured	Ind AA+	Standard
KMB PCFC	PCFC		USD 5.00	4,074.00	24-Feb-23	Secured	Ind AA+	Standard
KMB PCFC	PCFC		USD 10.00	8,148.00	10-Mar-23	Secured	Ind AA+	Standard
SBI PCFC	PCFC		USD 6.00	4,888.80	10-Mar-23	Secured	Ind AA+	Standard
KMB PCFC	PCFC		USD 3.00	2,444.40	17-Mar-23	Secured	Ind AA+	Standard
MUFG WCDL	WCDL	5500		5,500.00	21-Oct-22	Unsecured	Ind AA+	Standard
MUFG WCDL	WCDL	3800		3,800.00	21-Oct-22	Unsecured	Ind AA+	Standard
SCB WCDL	WCDL	10000		10,000.00	10-Oct-22	Secured	Ind AA+	Standard
HDFC WCDL	WCDL	7500		7,500.00	28-Oct-22	Secured	Ind AA+	Standard
ICICI PRU MF-CP	CP	20000		20,000.00	21-Oct-22	Unsecured	Ind AA+	Standard
ICICI PRU MF-CP	CP	10000		10,000.00	28-Oct-22	Unsecured	Ind AA+	Standard
ICICI PRU MF-CP	CP	15000		15,000.00	11-Nov-22	Unsecured	Ind AA+	Standard
INVESCO MF-CP	CP	5000		5,000.00	11-Nov-22	Unsecured	Ind AA+	Standard

2,78,977.50

50,000.00

Debt with CP

2,78,977.50

Debt without CP

2,28,977.50



2,78,977.50

Form A
PART I - To be submitted alongwith all applications

The Manager,
Listing Approvals team
National Stock Exchange of India Limited
Exchange Plaza
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400 051.

Dear Sir/Madam,

We hereby apply for listing the following securities issued by us on the Debt Market Segment of the Exchange :

INSTRUMENT DETAILS					
NATURE OF SECURITY		COMMERCIAL PAPERS			
ISSUER NAME		SRF Limited			
ISSUE OPENING DATE		02-Dec-22			
ISSUE CLOSING DATE		02-Dec-22			
DISCLOSURE DOCUMENT DATE		05-Dec-22			
FACE VALUE (Rs.)		5,00,000.00			
PAID-UP VALUE (Rs.)		5,00,000.00			
ISSUE PRICE (Rs.)		4,90,990.50			
SERIES		SRF_07_060323			
ISIN		INE647A14AB1			
NO.OF SECURITIES ALLOTTED		4,000			
ISSUE SIZE (Rs. In Lakhs)		20,000			
DATE OF ALLOTMENT		05-Dec-22			
DATE OF MATURITY		06-Mar-23			
TAXABILITY (TAXABLE/NON-TAXABLE)		Not Applicable			
DESIGNATED STOCK EXCHANGE(S)		National Stock Exchange			
LIST OF ALLOTTEES		SL NO	NAME OF ALLOTES		NUMBER OF SECURITIES
		1	ICICI Prudential Liquid fund		4,000
CREDIT RATING		NAME OF AGENCY	RATING	OUTLOOK	RATING AMOUNT (IN LAKHS) DATE
		Crisil Limited	CRISIL A1+	AA+	60,000 24-Nov-22
INTERNAL CORPORATE ACTION DETAILS:					
MATURITY		WORKING DAYS	1 days		
		CALENDAR DAYS	Not Applicable		
WE HEREBY STATE THAT THE INFORMATION GIVEN ABOVE IS TRUE, CORRECT AND COMPLETE TO THE BEST OF OUR KNOWLEDGE AND INFORMATION. WE ALSO STATE THAT NO RELEVANT FACT HAS BEEN SUPPRESSED. WE AGREE THAT IN THE EVENT OF ANY OF THE ABOVE STATEMENTS BEING FOUND FALSE, INCORRECT OR INCOMPLETE, WE RECOGNIZE THAT NATIONAL STOCK EXCHANGE OF INDIA LIMITED MAY TAKE ANY ACTION AS IT DEEM FIT, INCLUDING DELISTING OF THE SECURITY.					
Place		Gurgaon			
Date		05-Dec-22			
SIGNATURE					
NAME		Rajat Lakhnarpal			
DESIGNATION		Sr. VP (Corporate Compliance) & Company Secretary			
CONTACT DETAILS		0124-4354589			
STAMP OF THE ISSUER					
(APPLICATION TO BE MADE AND SIGNED AS PER THE AUTHORITY OF THE BOARD)					



Date: 5/12/2022

To,
National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400051

Dear Sir/Madam,

Sub: Listing of Commercial Paper

Please find enclosed "Information about the Company and Securities" part of Listing Agreement between SRF Limited and National Stock Exchange of India Limited dated 17.12.2015 including "Commercial Paper" in Securities applied for listing .

You are requested to take into record and grant necessary approval.

Thanking You,

For SRF LIMITED

A handwritten signature in black ink, appearing to be "Rajat Lakhanpal".

Rajat Lakhanpal
Sr. VP (Corporate Compliance) & Company Secretary

SRF LIMITED

Block-C Sector-45
Gurugram 122 003
Haryana India
Tel: +91-124-4354400
Fax: +91-124-4354500
E-mail: info@srf.com
Website: www.srf.com

Regd. Office:
Unit No. 236 & 237, 2nd Floor
DLF Galleria, Mayur Place
Voida Link Road
Mayur Vihar Phase-1 Extension
Delhi 110091

Corporate Identity No. L18101DL1970PLC005197



Information about the Company and Securities

Name of Issuer:	SRF Limited		
CIN No.	L18101DL1970PLC005197		
Registered office Address	The Galleria, DLF Mayur Vihar, Unit No. 236 & 237 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn. New Delhi East Delhi DL 110091 IN		
Corporate office Address	Corporate Office, Block – C, Sector- 45, Gurgaon, Haryana- 122003		
Telephone No.	+91 124-4354400	Fax No.	+91 124-4354500
Website address	www.srf.com	e-mail id	RLakhanpal@srf.com, cs@srf.com

Name of the Company Secretary/ Compliance Officer	Company Secretary& Compliance Officer - Mr. Rajat Lakhanpal (Vice President- Corporate Compliance& Company Secretary)		
Telephone no.	+91 124-4354589	Fax No.	+91 124-4354500
e-mail id	RLakhanpal@srf.com, cs@srf.com		

Securities applied for listing <i>(Please tick (✓) the Appropriate boxes)</i>	Specified securities (Main Board)	✓
	Specified securities (SME Exchange)	N.A.
	Specified securities (Institutional Trading Platform)	N.A.
	Non-convertible debt securities	✓
	Non-convertible redeemable preference shares	N.A.
	Perpetual debt instrument	N.A.
	Perpetual non-cumulative preference Shares	N.A.
	Indian depository receipts	N.A.
	Securitized debt instruments	N.A.
	Units issued by Mutual Funds	N.A.
	Others (Commercial Papers)	✓

For SRF LIMITED

Rajat Lakhanpal
VP (Corporate Compliance) & Company Secretary

SRF LIMITED

Block-C Sector-45
Gurugram 122 003
Haryana India
Tel: +91-124-4354400
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DLF Galleria, Mayur Place
Voida Link Road
Mayur Vihar Phase-1 Extension
Delhi 110091

Corporate Identity No. L18101DL1970PLC005197



Annexure

Date: 5/12/2022

To,
National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400051

Dear Sir/Madam,

Sub: Approval for Listing of Commercial Paper issued on Private Placement Basis amounting to INR 200 Crores under existing ISIN INE647A14AB1

We, the Issuer, hereby, inter alia, confirm the following:-

- i. The Issuer is an eligible issuer in terms of the applicable statutory laws/ regulations/ guidelines/notifications/circulars as amended from time to time including the eligibility criteria issued by the Exchange and has complied with the conditions of the Listing Agreement entered with the Exchanges;
- ii. The Issuer, any of its promoters, promoter group or directors are not restrained from issue/allotment of aforesaid commercial papers and/or are not debarred from accessing the capital market in any manner, by any regulatory authority;
- iii. The Issuer or any of its promoters or directors are not wilful defaulters; save and except that the name of Mr. Arun Bharat Ram, Chairman of the Issuer is appearing on the RBI defaulter list due to the fact that he was an independent director on the Boards of Samtel Color Ltd. and Samtel Glass Ltd. which were declared as wilful defaulters by some banks. Mr. Arun Bharat Ram had resigned from directorship of these companies on 4.8.2011 and 26.12.2011 respectively.
- iv. None of the promoters or directors of the Issuer is a fugitive economic offender as defined under section 12 of the Fugitive Economic Offenders Act, 2018 as amended from time to time;

SRF LIMITED

Block-C Sector-45
Gurugram 122 003
Haryana India
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Fax: +91-124-4354500
E-mail: info@srf.com
Website: www.srf.com

Regd. Office:
Unit No. 236 & 237, 2nd Floor
DLF Galleria, Mayur Place
Noida Link Road
Mayur Vihar Phase-1 Extension
Delhi 110091

- v. The Issuer, its whole time directors, its promoters and the companies which are promoted by any of them, directly or indirectly are not in violation of the provisions of Regulation 24 of the SEBI Delisting Regulations, 2009;
- vi. The amount raised under the issue is within the overall borrowing limits approved by the Board of Directors / shareholders, as may be applicable;
- vii. The issue is in compliance with applicable statutory laws/regulations/guidelines/notifications/circulars as amended from time to time;
- viii. The Disclosure Document contains all the disclosures as prescribed under SEBI Circular on Framework for listing of Commercial Paper dated October 22, 2019;
- ix. The Issuer has activated the ISIN with respect to the captioned commercial papers in both the depositories viz NSDL and CDSL;
- x. The commercial papers under the captioned issue has been allotted to the concerned investors;
- xi. The securities under the captioned issue have been credited to the demat account of the Issuing and Paying Agent (IPA);
- xii. The funds with respect to the captioned issue have been received from the allottees in a separate designated account;

Thanking you

Thanking You,

For SRF LIMITED



Rajat Lakhanpal
Sr. VP (Corporate Compliance) & Company Secretary



EXTRACT OF THE RESOLUTION PASSED BY THE COMMITTEE OF DIRECTORS- FINANCIAL RESOURCES OF SRF LIMITED AT THEIR MEETING HELD ON 30.11.2022 AT CORPORATE OFFICE AT BLOCK C, SECTOR 45, GURUGRAM - 122003

ISSUE OF COMMERCIAL PAPER OF RS. 200 CRORES

"RESOLVED THAT approval of the Committee be and is hereby accorded to issue commercial paper of Rs. 200 Crores to ICICI Prudential Mutual Fund.

RESOLVED FURTHER THAT the Committee do hereby approve the Letter of Offer(s), application form(s), Letter of Intent and Deal Confirmation. (Copies of which were placed on the table).

RESOLVED FURTHER THAT Mr. Ashish Bharat Ram, Chairman & Managing Director, Mr. Kartik Bharat Ram, Joint Managing Director, Mr. Rahul Jain, President & CFO, Ms. Sugandha Singhal, Vice President (Head Treasury) and Mr. Rajat Lakhanpal, Sr. VP (Corporate Compliance) & Company Secretary be and are hereby authorized severally to negotiate and decide any modification in the terms and conditions for issuance of the said commercial paper in accordance with the applicable RBI regulations.

RESOLVED FURTHER THAT approval of the Committee be and is hereby accorded to appointment of HDFC Bank Ltd as Issuing and Paying Agent for the issue of the said commercial paper.

RESOLVED FURTHER THAT the draft of Promissory Note be and is hereby approved.

RESOLVED FURTHER THAT Mr. Ashish Bharat Ram, Chairman & Managing Director, Mr. Kartik Bharat Ram, Joint Managing Director, Mr. Rahul Jain, President & CFO, Ms. Sugandha Singhal, Vice President (Head Treasury) and Mr. Rajat Lakhanpal, Sr. VP (Corporate Compliance) & Company Secretary be and are hereby authorized severally to execute the Promissory Note, Declaration(s) and other papers including any modifications thereto as may be required and to take all other steps as may be necessary in this regard and the Common Seal of the Company may be affixed thereon wherever necessary in presence of any one of them."

**CERTIFIED TO BE TRUE COPY
FOR SRF LIMITED**

**KARTIK BHARAT RAM
JOINT MANAGING DIRECTOR (DIN – 00008557)
(ADDRESS-1, SILVER OAK AVENUE, WESTEND GREEN FARMS, RAJOKRI, NEW DELHI-
110038) EM**

SRF LIMITED

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Noida Link Road
Mayur Vihar Phase-1 Extension
Delhi 110091

NSE payment details for Commercial Paper of Rs. 200 Crores dated 05.12.2022 :

212021992177NSE CP Listing Fee 05122022	(16,700.00)	02/12/2022	N336222230150441
-----------------------------------------	-------------	------------	------------------

Bifurcation of Rs. 16,700 is as follows -

Advance payment to NSE for CP –

Listing Fees –	10,000
GST -	1800
Total –	11800
Less TDS -	(1000)

Net Listing Fees – 10,800

NSE (SEBI Fees)	-	5,000
GST -		900
NSE SEBI Fees Total -		5900



Date: 5/12/2022

To,

National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400051

Dear Sir/Madam,

Sub: Listing of CPs on NSE vide our ISIN # INE647A14AB1

"The Disclosure Document contains all the disclosures as prescribed under Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021, as amended from time to time"

Yours faithfully,

Thanking You,

For SRF LIMITED

A handwritten signature in black ink, appearing to be "Rajat Lakhanpal".

Rajat Lakhanpal
Sr. VP (Corporate Compliance) & Company Secretary

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DLF Galleria, Mayur Place
Noida Link Road
Mayur Vihar Phase-1 Extension
Delhi 110091



Date: 05/12/2022

To,

National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400051

Dear Sir/Madam,

Sub: Credit Rating Declaration

We hereby confirm that the Credit rating for the current issue of CP of SRF Ltd . is valid as at the date of issuance and listing.

Yours faithfully,

Thanking You,

For SRF LIMITED

A handwritten signature in black ink, appearing to be "Rajat Lakhanpal", written in a cursive style.

Rajat Lakhanpal
Sr. VP (Corporate Compliance) & Company Secretary

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Corporate Identity No. L18101DL1970PLC005197



Firmly rooted.
**Growing
responsibly.**

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Chairman's Message



Dear Shareholders,

It is a great privilege to be able to share my thoughts with you for the first time since taking over as the Chairman and Managing Director of SRF Limited in April 2022.

This year, we bid farewell to the patriarch of our Group, Mr. Arun Bharat Ram, who expressed his desire to step down as the Executive Chairman and Director of SRF Limited. The amount of value SRF has created under his leadership – is extraordinary, as he leaves behind a strong foundation for future generations. Having said that, SRF will continue to benefit from his valuable knowledge and wisdom from time-to-time as a mentor to the Board of Directors and the management.

As I take on the role of Chairman and Managing Director with a great sense of responsibility and humility, I look forward to leading SRF into the future with an outstanding team at my side.

Firmly rooted. Growing responsibly.

We chose “Firmly rooted. Growing responsibly” as the theme of our annual report this year as we prepare to shape our future growth journey based on a powerful combination of experience and energy. Experience of a Company that has succeeded for decades, and the energy of a young Company with fresh opportunities. SRF products touch millions of lives every day and we work hard to remain relevant and current to the customers we serve and respond appropriately to changes taking place in our environment.

As an organisation that continues to evolve, grow, and progress into the future, we are also making concerted efforts towards identifying our ESG (Environmental, Social and Governance) risks and opportunities. It was therefore imperative for us to adopt ESG as part of our Company aspirations. In March 2022, we introduced and launched our Company's new ASPIRATIONS 2030. The five pillars of our ASPIRATIONS 2030 are:

We will continuously strive to be known for our:

- Professional Reputation and Value System
- Customer Advocacy
- Innovation and Technology Leadership
- Operational Excellence
- Environment & Social Responsibility

Our efforts in ESG encompass management of water use, protecting ecosystems and reducing community impacts related to operations, among others. I invite you to read the ESG section of this report for more on our work towards our environmental responsibility.

Financial Performance

FY 2021- '22 was an extraordinary year. Despite the ongoing COVID-19 pandemic, widespread supply bottlenecks, and increasingly higher energy and raw materials prices, we achieved robust operational and financial performance.

From a financial point of view, in FY 2021- '22, the Company achieved a 58% increase in profit after tax at ₹ 1,889 crore compared to ₹ 1,198 crore last year. The Company's revenue for the year stood at ₹ 12,434 crore as against ₹ 8,400 crore in the previous year, recording an overall growth of 48%.

Business Performance

Let me now talk about some of the milestones achieved by each of our business segments during the year.

Chemicals Business

In FY 2021 – '22, the Chemicals Business accomplished strong growth of 43.8% Year-over-Year (Y-o-Y) to achieve record revenues of ₹ 5,240.8 crore.

Our Specialty Chemicals Business performed remarkably well in the year, driven by strong demand in both the exports and domestic markets. Our new product portfolio is being enhanced continuously, which also helps us expand and strengthen our customer base further. Our customers are demanding more-and-more complex molecules, a demand that is being met by our robust in-house R&D team, giving the Company an overall edge in the marketplace. With rapid strides in the development of new products and process technologies, we launched four new products in the agrochemicals and two in the pharmaceuticals segment during the year. In addition, we are also seeing traction in the Active Ingredients (AI) space and building our capabilities on this front.

As we grow our revenues, we will continue to invest in this business to sustain healthy growth rates over the next few years. In this regard, I am pleased to share that the Board of Directors have approved the setting up of dedicated facilities to produce



As an organisation that continues to evolve, grow, and progress into the future, we are also making concerted efforts towards identifying our ESG (Environmental, Social and Governance) risks and opportunities.

agrochemicals intermediates at Dahej, Gujarat, at a cost upwards of ₹ 200 crore. In addition to that, the Board approved a project to set up a Pharma Intermediates Plant (PIP) at a cost of ₹ 190 crore, which will strengthen SRF's pharma capabilities. Similar investments alongside improved efficiencies, optimum utilisation of capacities, and other initiatives to reduce the environmental costs of manufacturing were also announced throughout the year.

Overall, as India's largest specialty chemicals player, SRF, in FY 2021- '22, continued to maintain its 'preferred partner' status with most of its marquee global customers.

Poised for sustainable growth, our Fluorochemicals Business delivered a strong performance during the year. This was largely on account of higher volumes in refrigerants, blends, and chloromethanes, in both the domestic and exports markets. Our capabilities on backward integration allow us to control costs as well

as propel the business forward.

Furthermore, in our constant endeavour to offer cutting-edge products to our customers, we enhanced our portfolio by introducing Anhydrous Hydrogen Chloride (AHCL) for pharmaceutical applications and ramping-up production of other key products in the Industrial Chemicals segment. Our Pharma propellant, which is sold under the brand name of Dymel® HFA 134a/P witnessed a significant increase in sales, expanding to new geographies and consolidating its customer footprint across the globe.

With large capex such as Polytetrafluoroethylene (PTFE), chloromethane (CMS), etc. likely to capitalise in the next few quarters, we are looking forward to exciting times ahead in the Fluorochemicals Business.

Packaging Films Business

In FY 2021 – '22, our Packaging Films Business witnessed robust growth of 45.2% Y-o-Y to achieve

record revenues of ₹ 4,779.2 crore. Both our domestic and international facilities delivered strong performance and contributed to the overall growth. Over-the-years, SRF's Packaging Films Business has established itself as a renowned player in the worldwide packaging industry, with a growing market presence across 100+ countries with multi-country and multi-substrate presence. This is a result of the Business' 'Easy to do Business with' philosophy, our geographical spread, along with continued focus on enhancing efficiencies, innovative practices, and cost-competitiveness.

During the year, the Company made an important announcement to further enhance our leadership position in this segment. We have allocated a capex of ₹ 425 crore to set up an Aluminium Foil manufacturing facility near Indore in Madhya Pradesh, India, which is expected to be commercialised in approx. 20 months. Our new BOPP film line, which is currently under construction in Indore is also on track and expected to be commissioned in the forthcoming quarter.



I am also happy to share that during the year, our Packaging Films Business was recognised with two prestigious awards. Our facility at Indore was conferred the Quality Sustainability Award at the international convention, organised by the International Academy for Quality (IAQ). SRF FLEXIPAK, our South African facility received the 'Sword of Honour' from the British Safety Council, demonstrating our emphasis on superior Environment, Health, Safety (EHS) practices.

As a market leader, our focus on sustainability initiatives is our responsibility and we will continue to work towards innovating films that have a lower environmental footprint. We aim to foster the 'Circular Economy' where we increasingly bring waste materials back into the economy.

Technical Textiles Business

In FY 2021 – '22, our Technical Textiles Business demonstrated promising results of 68.1% Year-over-Year to achieve healthy revenues of ₹ 2,085.2 crore. This was achieved on the back of highest-ever sales volumes from the Belting Fabrics and the Polyester Industrial Yarn segments. This contributed to partially offsetting the weak demand for Nylon Tyre Cord Fabrics. Overall, the Company is actively focusing on improving its operational efficiency and productivity parameters in this segment.

Other Businesses

In our Other Businesses, SRF continues to maintain market leadership in the Coated Fabrics Business, with a high-volume share driven by improved sourcing initiatives and plant efficiency. In the Laminated Fabrics Business, SRF retained its price & volume leadership, with the facility operating at full capacity, achieving its highest-ever sales in the fourth quarter. However, realisations in this segment were adversely impacted by the continuing surplus supply situation.

Our People are our Real Assets

I would like to emphasise at this point that our passionate workforce is our core business asset. I want to thank the employees of SRF for their hard work, dedication, and resilience in scripting our success story.

As most of our teams have now returned to our offices, I have had the opportunity to rediscover the collaborative culture that makes us such a unique and extraordinary Company.

Expanding our Community Impact

SRF Foundation, the CSR arm of SRF, has deep expertise in supporting transformative education initiatives at local and grassroots levels, including improving student-learning outcomes for more than one lakh fifty thousand students in India. We also go beyond traditional education by imparting vocational skill training to the youth, making them employable and contributing citizens of our country.

More importantly, our employees worldwide share our passion for community service. They volunteer and leverage their skills and experience to make a difference in the world. I am grateful to my team for their commitment towards making a positive change in our society.

In closing

On behalf of the Board and management, I thank you, our shareholders, for your continued support. I am confident that, with the actions we have outlined to continue driving growth, we will create long-term and sustainable value for our stakeholders.

Stay well.

Sincerely,

Ashish Bharat Ram

Chairman & Managing Director
SRF Limited

Our Locations

CHEMICALS BUSINESS

- Village - Jhiwana, PO - Khijuriwas, Tehsil - Tijara, District - Alwar, Rajasthan, India - 301 019
- D - 2/1, GIDC Phase II, PCPIR, Village - Dahej, District - Bharuch Gujarat, India - 392 130



TECHNICAL TEXTILES BUSINESS

- Malanpur Industrial Area, Bhind, Madhya Pradesh, India - 477 116
- Manali Industrial Area, Manali, Chennai,
- Plot No. K1, SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamil Nadu, India - 601 201
- Viralimalai, District - Pudukottai, Tamil Nadu, India - 621 316



National

- Plot No. 12, Rampura, Ramnagar Road, Kashipur, District Udham Singh Nagar, Uttarakhand, India - 244 713
- Sector 3, SEZ Indore, Pithampur, District - Dhar, Madhya Pradesh, India - 454 775
- Plot No. 675, Industrial Area, Sector 3, Village - Bagdoon, Pithampur, District - Dhar, Madhya Pradesh, India - 454 775

International

- SRF Industries (Thailand) Ltd., Hemraj Eastern Seaboard Industrial Estate, 112, Moo 3, Tambon Tasith, Amphur Pluakdaeng Rayong Province, Thailand - 21140
- SRF Flexipak (South Africa) (Pty) Ltd. 5 Eddie Hagen Dr, Cato Ridge 3680, Durban, South Africa
- SRF Europe KFT 05/219, Jaszfenyszaru Industrial Park, Jaszfenyszaru, 5126 Hungary



PACKAGING FILMS BUSINESS



- Plot No. K1, SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamil Nadu, India - 601 201
- Unit No. 2, Plot No. 12, Rampura, Ramnagar Road, Kashipur, District - Udham Singh Nagar, Uttarakhand, India - 244 713

OTHER BUSINESSES

Chairman Emeritus



Arun Bharat Ram

Board of Directors



Ashish Bharat Ram

Chairman & Managing Director



Kartik Bharat Ram

Joint Managing Director



Pramod G. Gujarathi

Director,
Safety & Environment



Vellayan Subbiah

Non-Executive,
Non-Independent Director



Tejpreet S Chopra

Independent Director



**Lakshman
Lakshminarayan**

Independent Director



Bharti Gupta Ramola

Independent Director



Puneet Yadu Dalmia

Independent Director



Yash Gupta

Independent Director



Raj Kumar Jain

Independent Director

Corporate Information

Auditors

M/s B S R & Co. LLP,
Chartered Accountants

President & CFO

Rahul Jain

Vice President (Corporate Compliance) & Company Secretary

Rajat Lakhnpal

Bankers

ICICI Bank
State Bank of India
Standard Chartered Bank
Citibank NA
DBS Bank India Limited
HDFC Bank
Kotak Mahindra Bank
HSBC
Axis Bank
Yes Bank
MUFG Bank Limited
Sumitomo Mitsui Banking Corporation
Mizuho Bank Limited
IDFC Bank
BNP Paribas

Registered Office

(CIN: L18101DL1970PLC005197)
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www.srf.com

Our approach to ESG



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Key ESG Performance Highlights

Governance

- Committees driving performance excellence
- Sustainability is at the heart of our Governance Framework
- Codes and Policies for best-in-class Governance
- Regulatory compliance - Our Pride
- Fostering advancement of industry through industry associations

Creating shared value through extensive stakeholder engagement

- Inclusive stakeholder engagement process

Materiality assessment driving long-term value creation

Managing risks strategically for a sustainable tomorrow

Strategy

The Six Capitals

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Natural Capital
- Human Capital
- Social & Relationship Capital

Business Responsibility Report

Scope and Boundary

As a responsible organisation, sustainability is part of our core value system. We care for people and the planet and our ever-evolving policies and inherent philosophy are testimony of it. We are diligent about the way we conduct business to deliver value to all our stakeholders. Our universal and all-pervading theme that runs across our organisation encompasses the elements of environment, social and governance. The ESG section of the report reflects the current systems, practices, performance and the various initiatives undertaken by SRF for integrating ESG into their business activities. The report provides information on SRF Limited, India and covers the period from 1st April 2021 to 31st March 2022.

SRF's Business Verticals



Chemicals Business

Chemicals Business includes two divisions, namely Speciality Chemicals and Fluorochemicals

Plants in Dahej and Bhiwadi located in Gujarat and Rajasthan respectively

Speciality Chemicals

- Expertise in fluorine chemistry and deep knowledge in a variety of other organic chemistries
- Capability to produce active, non-active advanced intermediaries used in agrochemical and pharmaceutical industries, custom research & synthesis for major players in agrochemicals and pharma space

Fluorochemicals

- Global-scale fully integrated player in refrigerants & pharma propellants and industrial chemicals
- Manufacturer of ozone-friendly refrigerants in India
- Product application in room air-conditioners, pharma, automobile air-conditioners, refrigerators and chillers



Packaging Films Business

Two plants in Indore, Madhya Pradesh and one plant in Kashipur, Uttarakhand.

In addition, there are three overseas plants in Thailand, South Africa and Hungary

- State-of-the-art facilities having capability to offer innovative solutions in BOPET and BOPP Films
- Spectrum of product mix includes transparent, metallised, coated, and other value-added films finding various diverse applications in fast moving consumer goods, Food & Agro, confectionery, soaps & detergents, solar panels, labelling, overwraps, embossing, etc.
- Diversifying into Aluminium foil manufacture under new wholly-owned subsidiary



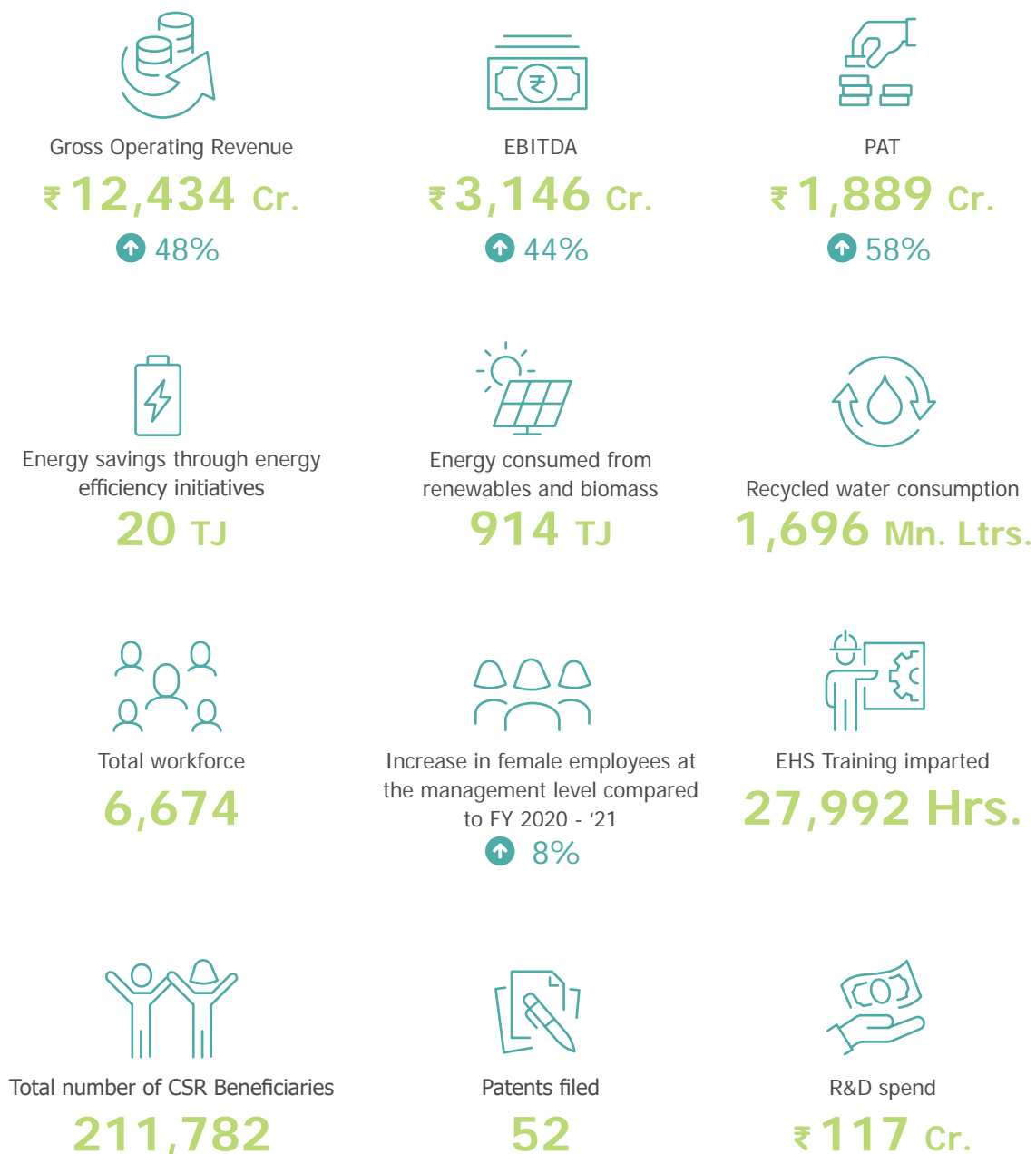
Technical Textiles Business

Plants in Manali, Gummidipoondi and Viralimalai in Tamil Nadu and Malanpur in Madhya Pradesh

- Largest manufacturer of technical textiles in India and also enjoys a global leadership for most of the products under this business
- Technical Textiles business offers a wide range of high-performance reinforcements, covering both nylon and polyester yarns and fabrics for diverse non-consumer and lifestyle applications
- Product basket for technical textiles contains tyre cord fabrics, belting fabrics and industrial yarn
- Used in varied applications, such as tyres, seat-belts, conveyor-belts and other industrial applications

Note: All the financial numbers are on consolidated basis while the other data pertains to Indian operations of the above businesses

Key ESG Performance Highlights



Governance

We never yield to or compromise on the basic principles of Integrity, Transparency and Accountability. Robust corporate governance practices are the key pillars for driving all initiatives.



We believe that good corporate governance is the sum or result of implementing sound management practices, compliances, and adherence to the highest levels of transparency and business ethics. Our organisation is based on a strong bedrock of corporate governance. We have put in place a detailed governance framework that outlines our operations, business actions and possible outcomes. Corporate governance at SRF encompasses comprehensive oversight of business strategies, ensuring fiscal accountability, ethical corporate behaviour, and upholding stakeholder interests. Our Governance incorporates a systematic and periodic evaluation of business operations thereby ensuring compliance with all applicable rules and regulations. We are committed to delivering value-based growth while maintaining high ethical standards and complete transparency with all our stakeholders - shareholders, customers, employees, vendors, society.

At SRF, we are led by the Board of Directors comprising of industry experts who come with diverse and rich experiences which enable and facilitate effective decision-making and execution of sustainable and long-term strategies. The Board reviews all significant aspects of the Company and ensures that the

business activities are aligned with the Company's long-term strategies. The Board members monitor the financial, environmental, and social performance of the Company while addressing key risks and opportunities.

We have 10 Directors on our Board as on 31st March 2022. During the year, Dr. Meenakshi Gopinath, Director CSR, retired from the Board w.e.f. 31st August 2021 and Mr. Arun Bharat Ram resigned as Chairman of the Board w.e.f. closing of business hours of 31st March 2022. He was appointed as Chairman Emeritus by the Board and shareholders for a term of 5 years w.e.f. 1st April 2022. Further, w.e.f. 1st April 2022, Mr. Ashish Bharat Ram was re-designated as Chairman and Managing Director and Mr. Kartik Bharat Ram was re-designated as Joint Managing Director by the Company subject to approval of shareholders. Mr. Vellayan Subbiah resigned as independent director on 9th May 2022 and was appointed as Non-Executive Non-Independent Director w.e.f. 10th May 2022 subject to approval of the shareholders and Mr. Raj Kumar Jain was appointed as Independent Director (additional) w.e.f. 9th May 2022 subject to approval of the shareholders.

Committees Driving Performance Excellence

The governance structure at SRF consists of six Board level committees with well-defined roles and responsibilities to protect the interests of all shareholders. The committees are instrumental in contributing to the Company's journey to market leadership and help in maximising value for all stakeholders.

Nomination and Remuneration Committee

- The Committee is responsible for assessing qualification of a director, proposing policies on board diversity and undertaking performance evaluations of directors
- It consists of three independent directors

CSR Committee

- The Committee is responsible for handling matters related to spending of CSR funds, monitoring of CSR activities and so on
- The committee consists of two non-executive directors and one executive director

Audit Committee

- The Committee is responsible for reviewing and approving the internal audit plan, financial reporting systems, whistle blower mechanism, ensuring compliance with regulatory guidelines, undertaking discussions on quarterly, half-yearly and annual financial results and engaging with statutory auditors
- It consists of three independent directors

Stakeholders Relationship Committee

- The stakeholder relationship committee oversees the grievance related aspects of all concerned stakeholders
- It consists of two executive and two independent directors

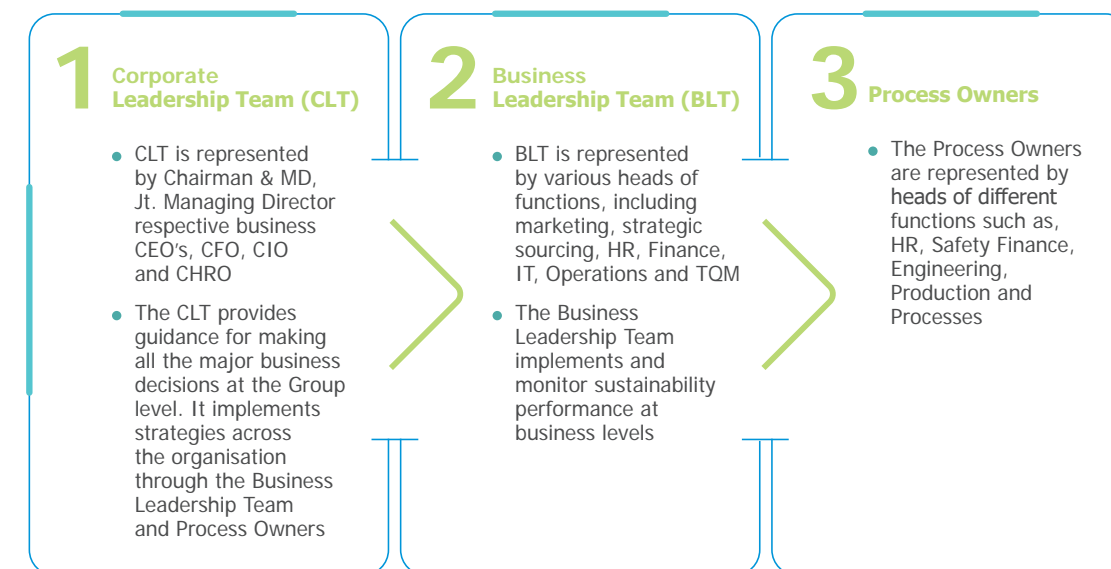
Risk Management Committee

- The Committee is responsible to support the Audit Committee in analysing the efficacy of the Risk Management System and assists the Board in framing, implementing, monitoring, and revising the Risk Management Policy
- It consists of one Independent director and two executive directors

Committee of Directors Financial Resources

- The Committee of Directors Financial Resources is responsible to provide financial oversight for the organisation
- It consists of three executive directors

Sustainability is at the Heart of our Governance Framework



Codes and Policies for Best-in-Class Governance

At SRF, we believe robust policies and practices including ESG considerations are key driving forces in decision-making. We are periodically reconceptualising and reimagining our strategies to keep up with the ever-changing business environment and evolving consumer needs. Our policies provide specific guidance to employees on their ethical/

behavioural standards to uphold our organisation's values and ensure that business is conducted in an ethical and responsible manner. While following these policies is mandatory for all our employees, we also encourage all other stakeholders to adopt and adhere to the same. SRF has laid out the following codes and policies to govern its business in a responsible way:

Codes & Policies

- Code of Practices and Procedures for Fair Disclosure of UPSI
- Code of Conduct for Prevention of Insider Trading
- Code of Conduct for Directors and Senior Management Personnel

- Nomination, Appointment and Remuneration
- Health & Safety
- Human Rights
- Whistle Blower
- Corporate Social Responsibility
- Anti-Corruption and Bribery
- Material Subsidiary Companies
- Dealing with Related Party Transactions
- Dividend Distribution
- Preservation of Documents

Source - <https://www.srf.com/investors/corporate-governance/>

The Company's Code of Conduct (CoC) testifies the organisation's commitment towards conducting its business with utmost integrity, honesty and accountability. It ensures compliance with internal standards of business practices and covers aspects such as regulatory compliance, fair employment practices, environment, health and safety, conflicts of interest and safeguarding the Company's assets.

The principles enumerated in the Code of Conduct have been complied with by the Board members and senior management representatives. The CoC coupled with the Whistle-blower policy reinforces the stated values of the Company and promotes ethical behaviour for conducting business in the most transparent manner.

In the current reporting period, there were no cases of conflict of interest and no disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption on Directors / KMPs / employees / workers.

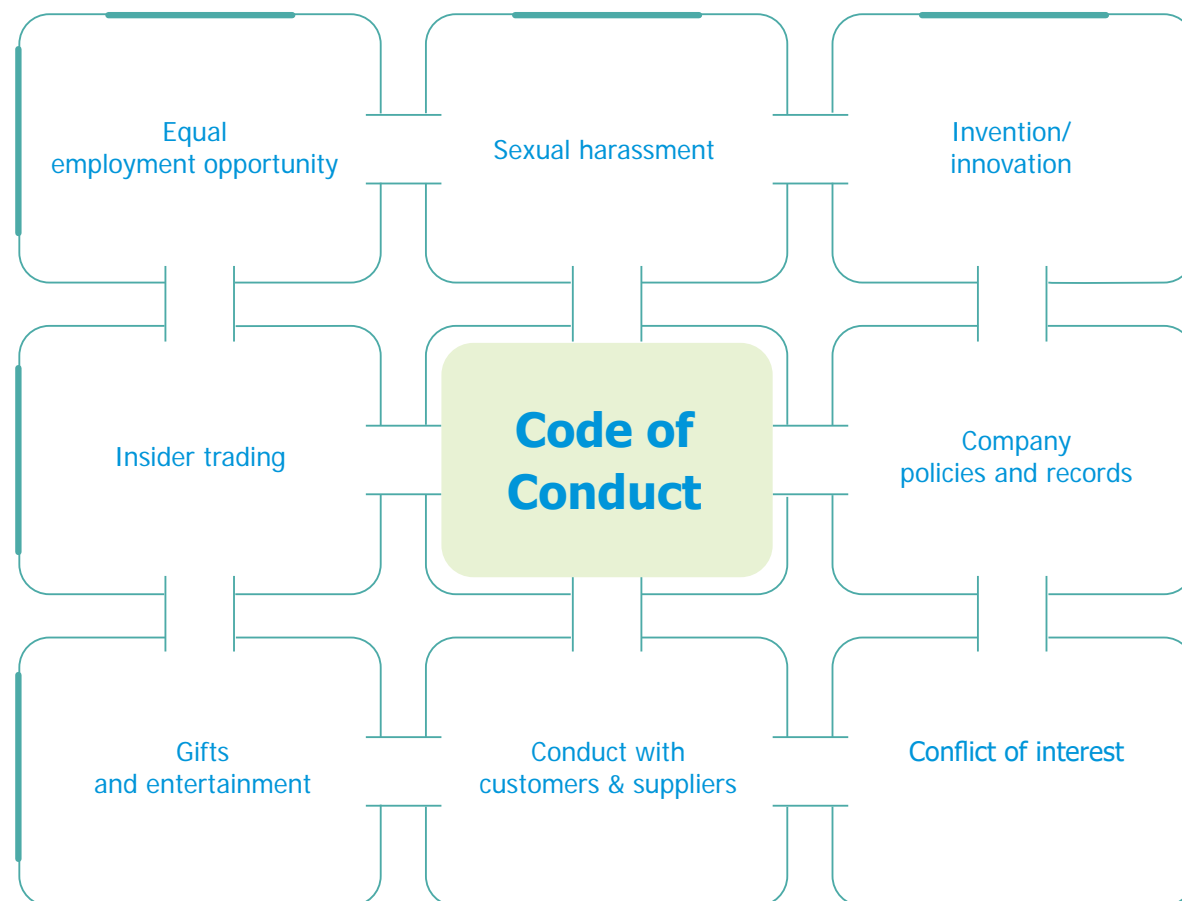


For details: SRF-Whistleblower-Policy.pdf

Code-of-Conduct-for-Directors-and-Senior-Management-Personnel.pdf (srf.com)

The figure below highlights the key aspects of the Code of Conduct:

(Business Responsibility Report Principle 1)



Regulatory Compliance - Our Pride

To further reinforce the Company's core values beyond regulatory compliances, we have established a Values Steering Committee, which includes the Joint Managing Director and some members from the Corporate leadership team. They are responsible for conducting fair and transparent investigations of reported issues, independently and take corrective or disciplinary actions.

SRF has implemented an IT system based 'Compliance Manager' tool, which tracks the status of compliances on defined frequency for required periods. With a view to ensure total compliance with applicable legal frameworks, this tool provides capability and offers timely and intelligible disclosures for effective monitoring and reporting.

During the current reporting period, no case has been filed by any stakeholder regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour

(Business Responsibility Report Principle 1 & 9)

SRF actively participates in discussions and discourses on growth and sustainable development in various industry forums. Over the years, the Company has been proactively collaborating with several industry associations to share best practices, address industry concerns, and implement measures for driving industry growth and fostering economic development in the country. Currently, SRF is a member of the following industry associations and forums:

Industry Associations

Confederation of Indian Industry	■	National Safety Council	■
Refrigerant Gases Manufacture Association	■	Centre for Chemical Process Safety	■
Indian Chemical Council	■	The Synthetic & Rayon Textiles Export Promotion Council	■
CHEMEXCIL	■	Delhi Chamber of Commerce	■

Reach of Association: State ■ National ■

(Business Responsibility Report Principle 7)



Creating Shared Value Through Extensive Stakeholder Engagement

SRF believes that stakeholder engagement is essential for understanding the needs and perspectives of all stakeholders. We take a collaborative approach when it comes to working with stakeholders – both internal and external.

This strong partnership is pivotal in tapping new opportunities and in building effective business strategies for the future.

(Business Responsibility Report Principle 4)

Our stakeholders include Regulatory Bodies, Shareholders, Suppliers, Customers, Employees and Local Communities. Furthermore, we have identified disadvantaged, vulnerable, and marginalised stakeholders from local communities. We are in the process of implementing various measures, identified through need assessment surveys, for their upliftment. Lastly, the strategies and measures are implemented through various Corporate Social Responsibility (CSR) initiatives in collaboration with the government and local communities.



Inclusive Stakeholder Engagement Process

To conduct business in a transparent and ethical manner, SRF has identified key stakeholders through a prioritisation exercise undertaken in consultation with the Company's management. The detailed stakeholder engagement process is explained below:



Monitor and Report

- Ensure effective, timely documentation of consultation process and learning points
- Report back to stakeholders on commitments and performance related to identified material issues
- Ensure transparency in the stakeholder engagement



Identify

- Identify internal and external stakeholders relevant to SRF
- Identify and prioritise key issues critical to each of the identified stakeholder groups

Stakeholder Engagement Process



Engage & Consult




- Engage with each stakeholder group through interviews, etc.
- Share contextual information with stakeholders
- Follow-up sessions for feedback on identified material issues






Plan

- Establish objectives and scope of the stakeholder engagement
- Allocate time, resources and responsibilities
- Design engagement strategy
- Design modes of communication for each stakeholder

The stakeholder engagement exercise undertaken has been detailed out in the table below. It captures the key stakeholder groups identified, expectations of stakeholders, mode of engagement and key topics and concerns discussed with each stakeholder group.

Stakeholder group	Key expectations	Modes of communication	Key Topics discussed	Key responsible groups
 Regulatory bodies	<ul style="list-style-type: none"> Compliance with applicable laws and regulations Participation and contribution to various initiatives 	<ul style="list-style-type: none"> Adherence to reporting requirements Industry representation on key matters 	<ul style="list-style-type: none"> Regulatory compliance Operational efficiency Development of communities Management of environmental impact Occupational Health and Safety Emergency Preparedness Air and GHG emissions Biodiversity and resource conservation Waste management 	<ul style="list-style-type: none"> Senior Management and relevant functions
 Shareholders	<ul style="list-style-type: none"> Business plans, growth feasibility and stability Better quarterly reports/ performance ratios Corporate reputation Transparent reporting Prudent capital allocation Corporate governance and risk management Regular Dividend pay-out 	<ul style="list-style-type: none"> Company website Quarterly publication of results followed by earning call Periodic Analysts' briefing and individual discussions between fund managers and the management team 	<ul style="list-style-type: none"> Financial Performance Business Risk Management Foray into new markets Optimising operational costs Corporate governance Ethics and value Energy efficiency Renewable energy 	<ul style="list-style-type: none"> Chairman and Managing Director (CMD), Chief Financial Officer (CFO) and Investor Relations
 Suppliers	<ul style="list-style-type: none"> Fair and transparent dealing Consistent business and economic growth Joint exploration of potential opportunities Maintain confidentiality of supplier data 	<ul style="list-style-type: none"> Supplier evaluation programme Periodic meetings Visits to supplier's facilities 	<ul style="list-style-type: none"> Pricing, quality and safety of raw materials Issues related with human rights Local employment Materials 	<ul style="list-style-type: none"> Sourcing

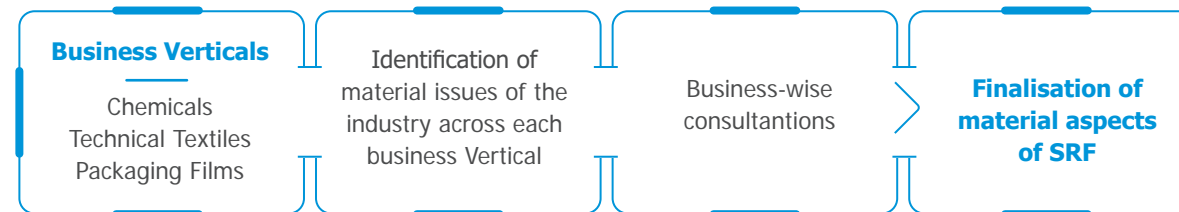
Stakeholder group	Key expectations	Modes of communication	Key Topics discussed	Key responsible groups
 Customers	<ul style="list-style-type: none"> Reputed brand, high quality and reliable products Product innovation and environmentally sustainable products Timely market / product updates Honour contractual terms and price Timely resolution of customer complaints Ethical Practices Maintain confidentiality of customer data 	<ul style="list-style-type: none"> Customer visits / audit and meetings Customer recognition/ awards programmes Customer satisfaction surveys Joint development & product reengineering 	<ul style="list-style-type: none"> Product innovation and life-cycle efficiency Service quality Resolution of Customer Complaints Quality and Safety of Products Pricing of Products Branding 	<ul style="list-style-type: none"> Marketing Technical services Customer Relationship Management
 Employees	<ul style="list-style-type: none"> Safe and healthy work environment Favourable work culture Adherence to SRF's values Fair and equal compensation Learning and development opportunities Fair, transparent, and regular rewards and recognition Regular and constructive performance management and feedback Career development opportunities Appropriate grievance redressal mechanisms Job security 	<ul style="list-style-type: none"> IT enablement & digitisation Structured and focused training programmes Employee-oriented work policies Adequate grievance mechanism for reporting and redressal Fair and transparent performance management systems and 360-degree feedback process Periodic open house meetings with senior leadership teams Regular employee engagement and feedback surveys 	<ul style="list-style-type: none"> Career growth prospects Learning and development programs Trainings Rewards and Recognition Occupational Health and Safety Work environment and policies Grievance redressal mechanism Ethics and transparency TQM Emergency preparedness Labour conditions 	<ul style="list-style-type: none"> Human Resources
 Local Communities	<ul style="list-style-type: none"> Local employment Skill development and education Local infrastructure development Conservation of natural environment Ensuring health and safety of nearby community 	<ul style="list-style-type: none"> Social impact assessment Joint development and partnership with local agencies, network partners for servicing wider set of local communities Local infrastructure development, structured learning by digital classrooms training, providing scholarships, and other necessary support 	<ul style="list-style-type: none"> Social concerns in the region Minimising negative environmental impact Local employment 	<ul style="list-style-type: none"> SRF Foundation (Corporate Social Responsibility arm of SRF) Plant-level CSR

Materiality Assessment Driving Long-Term Value Creation

Materiality assessment helps in identifying and prioritising key environmental, social and governance aspects which influences the Company's strategy, investments and business in the long run.

Given the importance of materiality assessment, we ensure continuous review of existing material topics and identification of new focus areas. For the same, SRF conducted a rigorous materiality assessment exercise in FY 2020 - '21 across all the three businesses - Chemicals, Packaging Films and Technical Textiles, following globally recognised ESG frameworks, peer benchmarking and extensive stakeholder consultations.

During the year FY 2021 - '22, SRF reviewed the material aspects identified last year. In conclusion, no new material aspects or concerns have emerged for the organisation or stakeholders for this year. SRF aims to revisit the detailed materiality assessment exercise periodically to ensure emerging material issues are captured in the materiality of the organisation. At SRF, we continue to map the Company's progress against identified material aspects and take necessary actions wherever necessary, to improve the overall business outcomes and value for stakeholders.



Below highlights the key material aspects of SRF:



Managing Risks Strategically for a Sustainable Tomorrow

We have built robust systems and processes across our organisation that enable us to proactively identify, analyse and mitigate risks that may impact our operations today and in the future.

The risk landscape continues to evolve radically at a fast pace. SRF's approach for risk management flourishes on the ability to demonstrate agility and proactive management of unforeseen risks. The Company is committed for creating sustainable position through an in-depth understanding and management of material risks, as well as maximising value by unleashing new opportunities.

SRF practises well-defined and established enterprise-level Risk Management Framework which is entrenched in the core business strategy and planning process of the organisation. This enhances its ability

to manage risks and transform risks into opportunities as practically as possible. The Framework is governed by an overarching Risk Management Policy (approved by the Board) which clearly articulates the Company's approach for managing risks across the organisation.

The Enterprise Risk Management Framework encapsulates key aspects of effective management of risks. This contributes to building a strong internal control system based on a proactive approach to risk management rather than a reactive one. The risk management process and steps are highlighted below:



The Board of Directors have established a dedicated Risk Management Committee (RMC), which, inter alia, drives continuous efforts to identify various types of risks including ESG Risks, oversees the implementation of the risk management measures and suggests future action plans, wherever required.



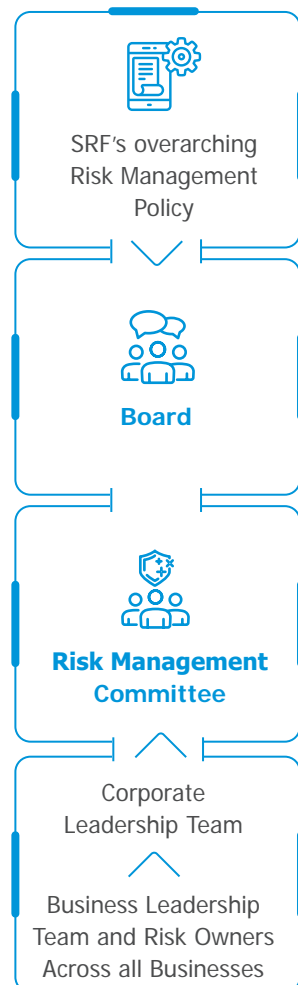
The Committee also aids the Audit Committee in analysing the efficacy of the Risk Management System and assists the Board in framing, implementing, monitoring, and revising the Risk Management Policy. The Committee is competent to identify, assess and manage both traditional and emerging business risks. It ensures that stakeholder interests are protected, business objectives are met, and long-term growth is enabled.

Risk categorisation and prioritisation is done on a high, medium, and low category basis as defined by the Risk Management Framework. Further, Business

Leadership Team and Risk Owners, report risks and mitigation plans to Corporate Leadership Team and subsequently to the Risk Management Committee for review. We also have a robust framework of Control Self-Assessment (CSA) which continuously verifies compliances with existing policies and procedures.

The risks identified by the Company broadly fall into the following categories viz. **strategic risks, operational risks, regulatory risks, financial and reporting risks, and IT & cyber risks.** (ESG risks are mapped under the appropriate categories of risks) **(Business Responsibility Report Principle 6)**

Enterprise-Level Risk Management Framework



The figure below gives details on the identified risks and mitigation strategies adopted by SRF:

Key risks identified	Mitigation strategies
 Strategic Risks	<ul style="list-style-type: none"> Long-term strategic planning and regular management reviews with business teams and Board of Directors Strategic sourcing initiative ensuring uninterrupted supply of raw materials
 Financial Risk	<ul style="list-style-type: none"> Detailed policy guidelines to deal with key financial risks Robust processes and systems for ensuring timely reporting and compliance with applicable regulatory framework
 IT & Cyber Security Risk	<ul style="list-style-type: none"> Implementation of new perimeter security mechanisms such as dual firewalls, internet content filtering etc Implementation of mobile management for users with critical data leak risk Ensuring adequate update and maintenance of servers and network devices for added security and data protection Cyber security awareness sessions for employees Cyber security risks are periodically reviewed by risk management committee of the Board
 Operational Risk	<ul style="list-style-type: none"> Implementation of safety and quality management systems, TQM driven processes to eliminate operational risks and contribute to the Company's strategy to sustain operational success Adoption and deployment of resource efficiency initiatives Promoting harmonious work culture and implementing policies for comprehensive retention, people development, employee benefits, welfare and wellbeing measures, proactive and continual employee engagement and structured learning and development opportunities
 Regulatory Risk	<ul style="list-style-type: none"> Continuous monitoring of the evolving regulations, impact assessment, implementation of statutory compliance. Internal audit and external legal review (including ESG) Liaisoning with regulatory bodies and industry associations to bring systematic changes for the benefit of industries

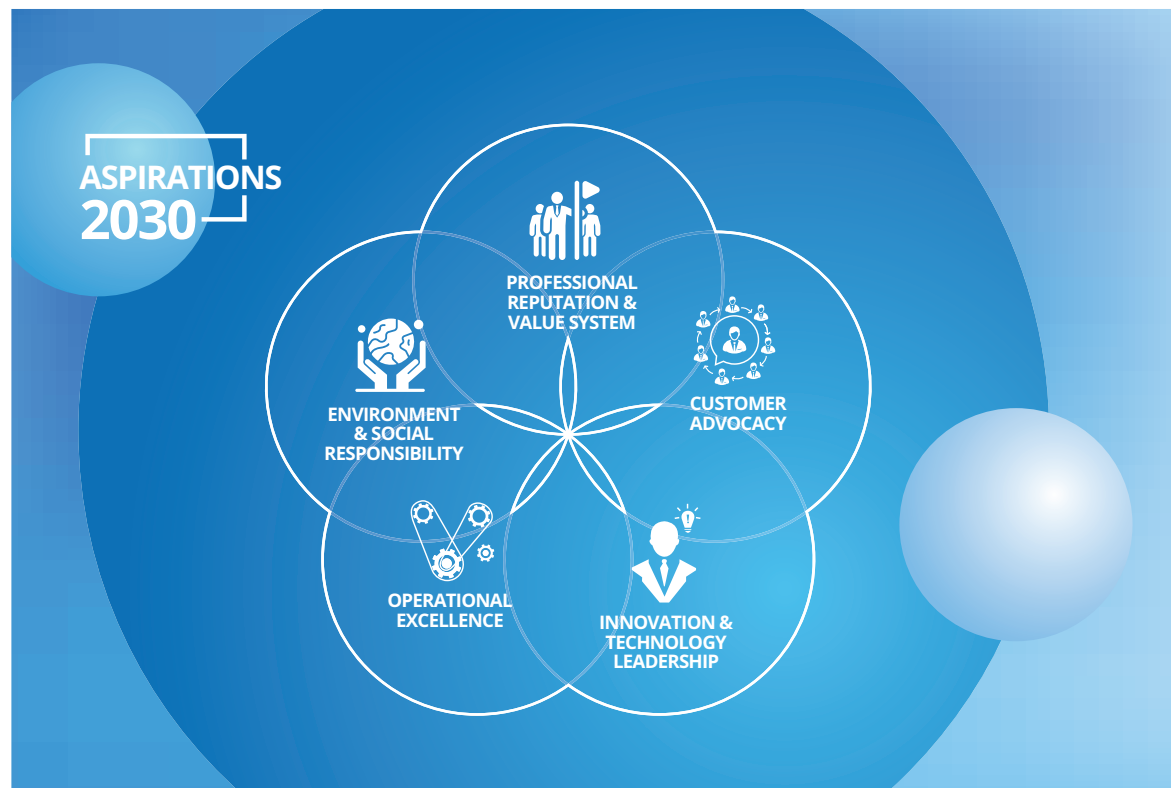
Strategy

Sustainability is at the core of our corporate ethos and is reflected in every aspect of the business. The leadership is strongly committed towards driving performance keeping sustainability as a focused item – SRF's Aspirations 2030 lays down long-term roadmap for engagement with our investors, business partners, communities including focused approach on environment and social responsibility.

Sustainability is in our DNA and reflected in every aspect of our business functions and strategies. Our strategic pillars of sustainability include protection of natural resources, health and safety of our employees, responsible governance, and wellbeing of local communities. We combine strategic focus areas with our Aspirations to create a roadmap for the future. SRF follows practices and measures that enable long-term value creation for all its stakeholders while also maintaining a culture of ethics and integrity.

Our strategic focus area is guided by our Aspirations guidelines, which give us a clear view on what we strive to achieve in a sustainable manner to create long-term shared value.

One of the main mantras of SRF is - to evolve continuously. We have not only revisited and redefined 'Aspirations 2025', but we have also launched 'Aspirations 2030' as a sign of our strong commitment for a sustainable future.



At SRF, we are committed towards building an organisation that is focused on holistic and sustainable value creation. This commitment is built on the 'Core Values' of the organisation coupled with 'Aspirations 2030.' These provide a strategic direction towards a sustainable business future to enhance stakeholder

value. The overarching core values **"RINEW"- Respect, Integrity, Non-Discrimination, Excellence and Well-being**, form an intrinsic part of the organisation, helping in achieving the key pillars of the aspirations. The details of the key pillars of the 'Aspiration 2030' are elaborated below:

Operational excellence

Creating new and differentiated offerings that deliver superior customer value through innovations and improvements in quality, cost, efficiency, or environmental benefits, supported by digital technologies for efficiency and reliability. In addition, nurturing a capable workforce that continues to develop new solutions and provide advanced technical support. Implementation of various facets of the Total Quality Management (TQM) way to create new benchmarks across multiple dimensions of Quality, Cost, Delivery, Safety, Health & Environment and Morale (QCDSM).

Professional reputation and value system

In line with the core values, SRF strives to attract, retain and nurture talent that demonstrates high levels of ethics and integrity while delivering high quality products to its customers, thereby enhancing the brand value and reputation of the Company.

Customer advocacy

Building a customer-focused, agile and lean organisation, becoming a trusted, long-term partner of choice with the customers through innovative offerings and strong customer relationships.











Innovation and Technology Leadership

The Company constantly focuses on developing and investing in new technologies and developing new-age products to lead the way in serving the emerging needs of customers and deliver value over the long run. SRF's focus on adequate allocation of resources to effectively implement systems and initiatives is helping in creating sustainable value on an ongoing basis. The Company will continue to focus on the key strategic areas that have contributed to driving improvements across the ESG material aspects.

Environment & Social Responsibility

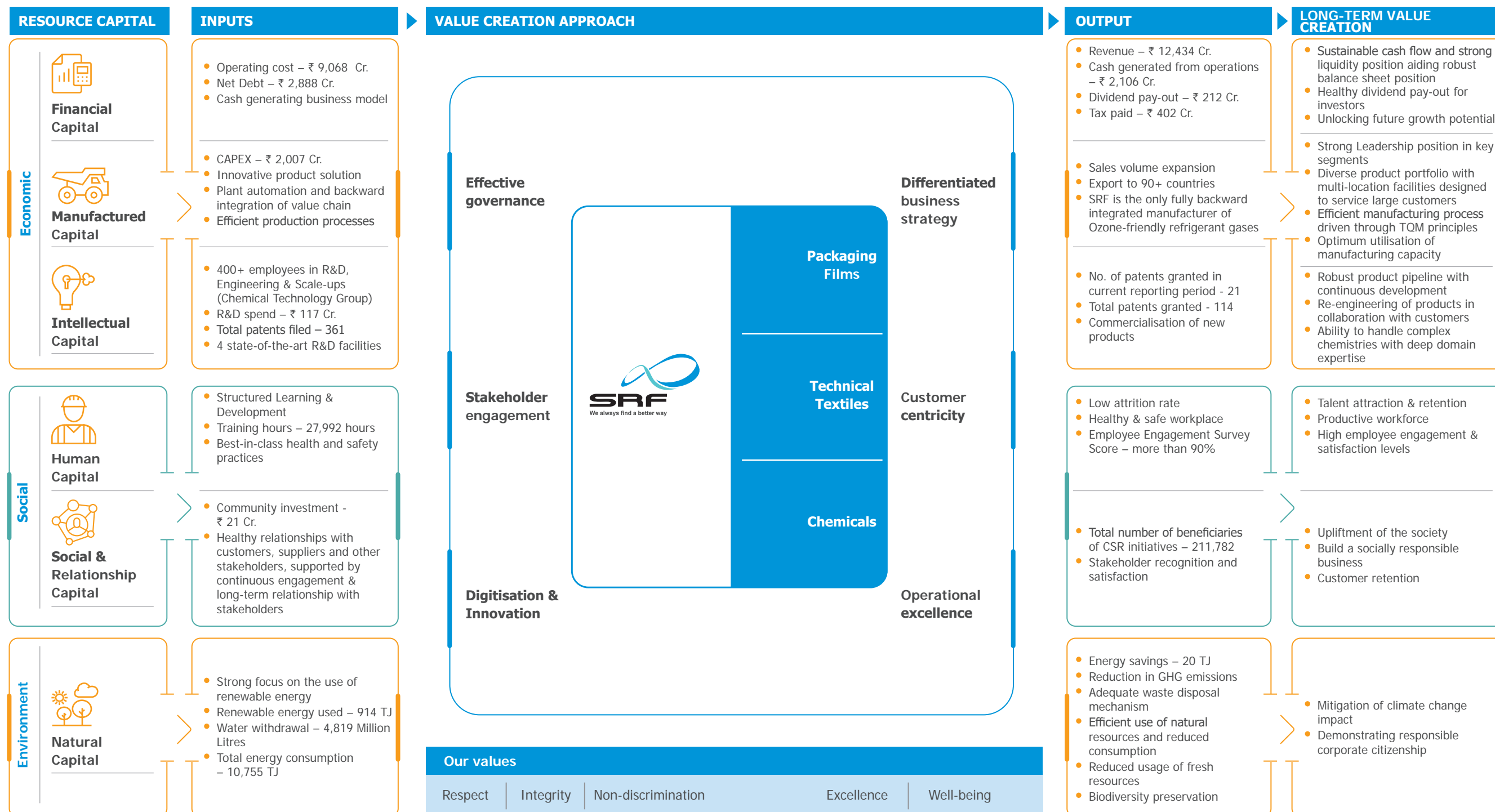
Our Environment and Social Responsibility will focus on four main aspects: We will benefit the communities where we work. We will embrace diversity, equality and inclusion in our workforce. We will enhance our focus on the 3R's - Recycle, Reuse and Reduce. We will transition from traditional energy to renewable energy in the future.

SRF looks through the lens of ESG before making any key decisions on the six capitals and business strategy and planning. The details of the ESG priorities of SRF are highlighted in the table below:

Risks	Material aspects	Strategic focus areas	Progress in FY 2021 - '22	Aspirations 2030
 Operational	Energy Management GHG and Air Emissions Water and Effluents Waste Management Material Total Quality Management	<ul style="list-style-type: none"> Focus on implementing cutting-edge technology and energy efficiency initiatives to achieve energy savings Transition to cleaner energy sources to mitigate carbon emissions Drive efforts towards reducing water consumption with water-efficient technologies, recycling and reusing wastewater and rainwater to the maximum extent possible Emphasis on the principle of 3R – Reduce, Reuse and Recycle and strive to operate in a 'closed-loop' through circularity in operations Continuous efforts on local sourcing of raw materials and increasing the use of recycled materials in production Implementation of Total Quality Management (TQM) for meeting evolving customer aspirations and shifting market dynamics by bringing systemic changes to maximise plant efficiency and deliver diverse solutions 	<ul style="list-style-type: none"> Implemented energy efficiency initiatives, leading to energy savings of 20 TJ 914 TJ of energy consumed from renewables and biomass 1,696 Million Litres of water consumption met through recycled wastewater Some of the plants have installed rainwater harvesting systems to sequester rainwater Supplying fly ash waste generated onsite for utilisation as raw material in cement industries Recycled materials used as raw materials in production processes TQM-led supply chain improvements, enhancement of internal process efficiency and building a skilled workforce 	 Operational excellence
 Financial				 Professional Reputation and Value System
 IT & Cyber-security	Employment Occupational Health and Safety Local Communities	<ul style="list-style-type: none"> Concentrated efforts on creating a favourable environment for employees to nurture and grow through structured learning and development, career advancement, and rewards and recognition programme to keep employees motivated and engaged Build a workplace that thrives on diversity and inclusion, and supports human rights Endeavour to create a safe and secure work environment by embedding health and safety in the Company culture and implementing robust systems to ensure well-being of each employee Relentless efforts to empower local communities through community initiatives focusing on vocational skills, education, natural resource management, among others 	<ul style="list-style-type: none"> 27,992 EHS training manhours Increase in female workforce across the management levels by 8% as compared to FY 2020 - '21 More than 90% employee engagement score 211,782 beneficiaries of CSR initiatives in local communities 	 Customer advocacy
 Strategic	Economic Performance	<ul style="list-style-type: none"> Emphasis on capitalising new opportunities, expand product portfolio considering the evolving customer expectations and enhancing market presence Implement differentiated business strategies, prudent capital allocation, optimum utilisation of natural resources to lower operating costs, automate processes and strengthen business processes that aid in building a sustainable business model Deliver long-term sustainable returns to shareholders by increasing market capitalisation and higher dividend pay-out 	<ul style="list-style-type: none"> Developed innovative products that are socially and environmentally responsible and have zero ozone-depleting substances, low global warming potential (GWP), recyclability and low carbon footprint 114 patents granted ₹ 12,434 Cr. revenue Dividend pay-out – ₹ 212 Cr. 	 Innovation and Technology Leadership
 Regulatory	Corporate Governance Risk Management	<ul style="list-style-type: none"> Focus on creating an eco-system which promotes effective decision-making, accountability and financial prudence Encourages an ethics-driven culture of accountability and responsibility for all activities with the integration of sustainability into its decision-making processes to create value Constant identification, assessment, monitoring and mitigation of risks to achieve business objectives Focus on robust internal control system and proactive response strategy towards identified risks 	<ul style="list-style-type: none"> Continued to collaborate with industry associations to benefit the industry and society at large Continued to identify and manage existing as well as emerging risks through the robust risk management framework, integrated with the Company strategy and planning 	 Environment & Social Responsibility

Value Creation Model

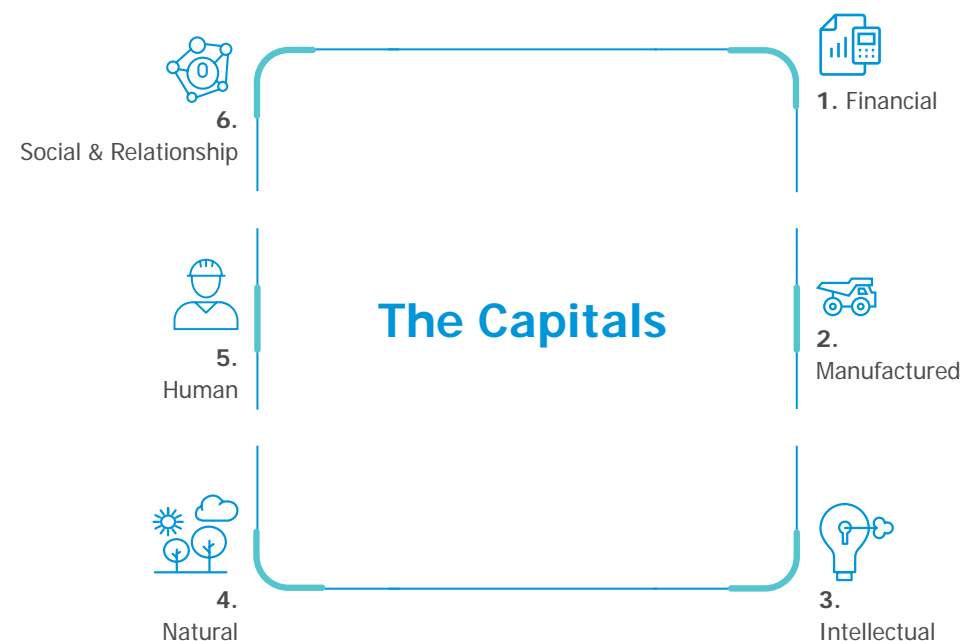
DRIVING BUSINESS WITH VALUES



The Six Capitals

The Company has reported its performance across the six capitals of the IR framework, namely **Financial, Manufactured, Intellectual, Natural, Human and Social & Relationship**. All these six capitals have created a strong base, further aiding growth and value for stakeholders. These capitals are an ideal blend of top-tier talent, state-of-the-art manufacturing capabilities, cutting-edge technologies, world-class R&D facilities, strong financials, robust governance practices, and transparency.

At SRF, we follow a rigorous resource allocation method which is a result of meticulous planning, evaluation and conscious efforts for achieving desired return on investments which ensures the best results. This report demonstrates the performance and progress of SRF across the following six capitals against the identified material aspects:



1. Financial Capital

- Sources include debt and equity financing and cash generated by operations and investments
- Funds are being invested in various CAPEX projects throughout the business

2. Manufactured Capital

- Investments are focused on expansion, bringing efficiency and upgrading existing equipment and infrastructure

3. Intellectual Capital

- Huge investments focused on the sustainability and innovation agenda for a competitive edge
- Due assessment of the returns on investment against the extent to which it might aid business growth

4. Natural Capital

- Natural capital inputs such as raw materials, water, fuel and renewable energy, etc., critical to operate efficiently
- Allocation of financial and human capital to secure long-term availability of the inputs

5. Human Capital

- Investment in hiring the right people for the right job so as to maintain its status as 'employer of choice'
- Assessing the necessary skills and specialisation to deliver on the objectives

6. Social & Relationship Capital

- Fundamental part that the stakeholders play in creating and sustaining an enabling external environment for the business to flourish in
- Consideration of all relevant factors while making investment decisions



FINANCIAL CAPITAL

The Company's strategic actions continue to exhibit SRFs dynamic financial management which is in line with its long-term and short-term goals. As one of the leading players in the industry, we continue to offer strong financial performance, both in terms of growth and profitability.

Material Issues Impacted



Economic Performance

Inputs

- Operating Cost – ₹ 9,068 Cr.
- Net Debt – ₹ 2,888 Cr.

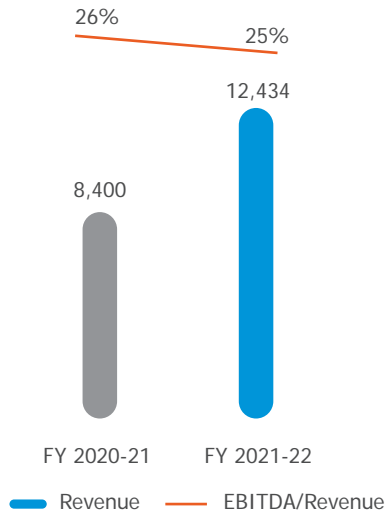
Outputs

- Revenue – ₹ 12,434 Cr.
- Cash Generated from Operations – ₹ 2,106 Cr.
- Dividend Pay Out – ₹ 212 Cr.
- Profit After Tax (PAT) – ₹ 1,889 Cr.
- EBITDA – ₹ 3,146 Cr.

At SRF, we firmly believe that combining operational excellence with prudent financial resource allocation is critical to long-term value creation. We channelise our efforts towards maximising value for all stakeholders by implementing differentiated sustainable business practices, optimal utilisation of resources and maintaining a strong balance sheet. SRF has been focusing on growing its market presence and expanding its product portfolio by building a solid long-term sustainable business model. The Company has ensured uninterrupted business operations by mitigating business risks at source and generating returns sustainably for shareholders. We have employed prudent financial management strategies, such as sensible allocation of funds across various capitals, technology-led investments and smart branding that has allowed us to generate higher financial returns consistently and build long-term value for our stakeholders.

The financial performance, which include - revenue, expenses, and new future opportunities, is monitored and evaluated on a regular basis, and reported publicly as and when required. While securing its position as a profitable Company, the funds generated are used to create value across all capitals, guaranteeing that the benefits of growth have a ripple effect across the Company.

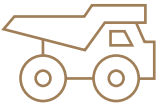
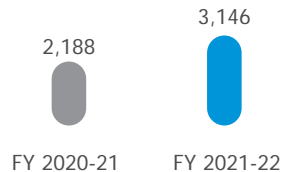
Revenue & EBITDA/Revenue (₹ Cr.)



The Company's focus areas are resource allocation and utilisation. Internal policies of SRF, such as those for CAPEX proposals and investment rules, establish the concepts and promote sensible capital allocation. The Company continues to assess and implement various capital structure options, maintaining a balanced equity and debt mix, producing strong cash inflows, and creating and maintaining a strong balance sheet. Our major goal is to provide our shareholders with a long-term favourable return on investments, and we ensure that any material developments that could have a negative impact on our financial position are reported and translated in our business strategies.

SRF works towards achieving optimum utilisation of financial capital across all its business verticals. The Company has taken various interventions to increase productivity, improve operational efficiency, progress towards digitalisation which in turn reduces operational cost and enhances the return value. All the stringent efforts implemented by SRF over the years and the robust financial planning has helped us in attaining an increase of 48% in revenue and ~44% in EBITDA over FY 2020 - '21.

EBITDA (₹ Cr.)



MANUFACTURED CAPITAL



Our strategic expansions along with optimum resource utilisation initiatives have led to elevated performance, operational excellence, and delivery of premium products.

Material Issues Impacted



Total Quality Management



Economic Performance



Waste Management



Material

Inputs

- Capex ₹ 2,007 Cr.
- Innovative product solution
- Plant automation and backward integration across the value chain
- Efficient production processes
- R22 and few dedicated agrochemical facilities were commissioned in Dahej

Outputs

- Sales volume expansion
- Export to 90+ countries
- SRF is the only fully backward integrated manufacturer of ozone-friendly refrigerant gases

Our value creation capacity is largely underpinned by our strong manufacturing capabilities. We utilise state-of-the-art facilities and highly efficient manufacturing processes to produce reliable and quality products. With our diverse portfolio, we strive to provide the highest quality of sustainable, industrial and specialty intermediates. We have achieved economies of scale through backward integration. We never compromise on our product quality and as a result we have established long-term relationships with our customers.

In most of its business categories in India, the Company is a market leader and has a large global presence with exports to more than 90 countries.

Our Manufacturing Process

Technical Textiles Business (Four manufacturing sites in India)

The Company is not only the largest manufacturer of technical textiles in India, but also enjoys a global leadership for most of the products under this business.

SRF is one of the largest manufacturers of a spectrum of standard and specialty Bi-axially Oriented Polyethylene.

Packaging Films Business (Three manufacturing sites in India)

Chemicals Business (Two manufacturing sites in India)

Only Indian manufacturer of ozone-friendly HFCs and specialty agro chemicals backed with strong integrated value chain.

Note: SRF has two additional businesses viz. Coated Fabrics and Laminated Fabrics that are not included

Our strategies and plans of action are guided by our motto – ‘continuous improvement’. Our principle – ‘We always find a better way’ – is reflected in the high-quality products that we deliver to our customers. It is also demonstrated through our innovations, technological advancements, employee engagement, professional management, transparent governance, and inclusive growth.

We constantly work toward improving the way our products and services are designed, manufactured, made available, consumed and disposed to ensure

minimum environmental impact. Our cutting-edge industrial facilities, good quality control systems, robust distribution network and efficient supply chain mechanism ensure that products are delivered safely and efficiently. The Company has an efficient maintenance system for optimum use of its machinery to achieve operational excellence. Our continual improvement mechanism is supported by the overarching Total Quality Management (TQM) system that paves the way for high levels of operational efficiency.

Key Initiatives to Advance Towards Green Chemistry



SRF is the first Indian Company to obtain the ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) certification for R-467A, a low GWP refrigerant blend for stationary air-conditioning application by in-house patented technology

Innovative alternatives implemented to achieve better atom efficiency in several reactions. For instance, innovative chemistry developed to achieve more than 98% atom efficiency in bromination reaction at ton scale in an environment-friendly manner

Development of environment-friendly products with low global warming potential (GWP), low ODS potential, low carbon footprint, and sustainable hydrofluorocarbon (HFC) blends

Sulphur-based chlorinating reagents replaced with simple reagents for chlorination reaction

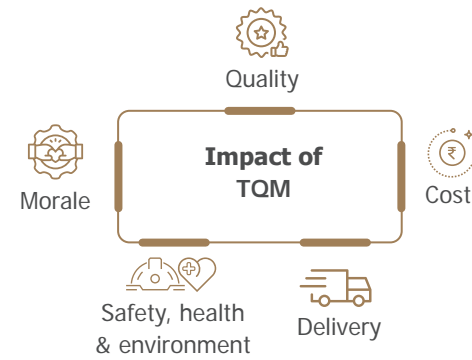
Hazardous reagents and solvents replaced with non-hazardous chemicals

Total Quality Management (TQM)

The SRF management way is built on the principles and methods of Total Quality Management. This management system is based on the triad of satisfying requirements of stakeholders and customers today and tomorrow, by applying systematic and scientific methods and tools, and involving every employee in making ongoing improvements.

The application of TQM practices cuts across the entire value chain of SRF's businesses, from product conceptualisation, development, projects, manufacturing operations and sales, and to the support and enabling functions as well. Guided by the Company's values of promoting customer centricity and 'Easy to Do Business With', the TQM way of working enables us to flexibility adapt to evolving customer aspirations and shifting market dynamics, so as to deliver diverse solutions to customers while maximising efficiency in operations. The methods of TQM are applied in determining the best strategic choices as well as achieving superior operational outcomes of QCDSM.

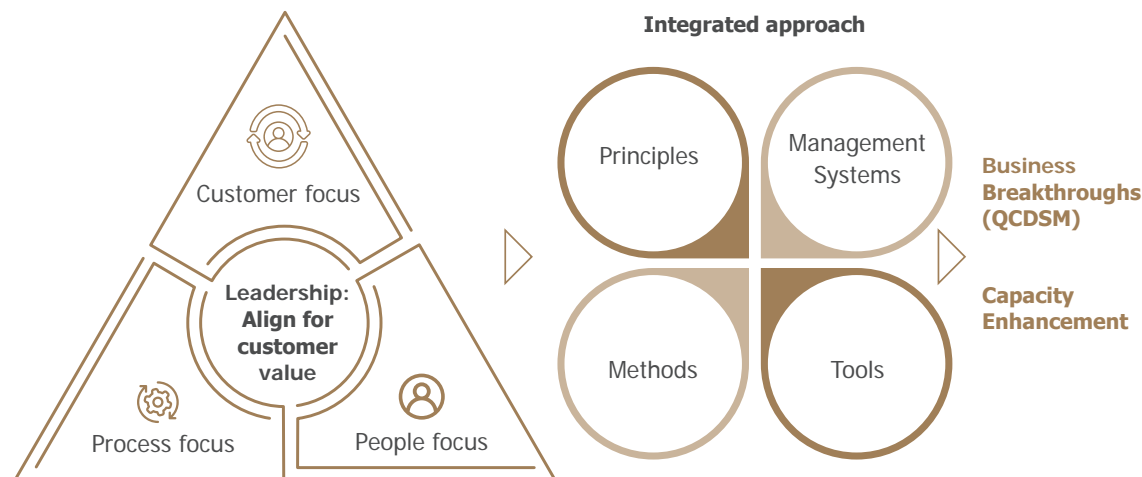
The core of the TQM framework emphasises a strong quality assurance system in each of its businesses, spanning the full product lifecycle from product planning and R&D, through the development stages, setting up of facilities, raw material procurement, manufacturing operations and supply of finished products. The method of continuous improvement or PDCA (Plan-Do-Check-Act) cycle is applied to all work systems, from the upstream planning stage through to



implementation, so to enable system outcomes which meet user's requirements of functionality, quality and availability at the lowest cost.

SRF's management way integrates principles, methodologies, management systems and a wide variety of tools, to ensure outcomes for customers as well as building capabilities for the future.

SRF's long-term problem-solving and capability-building program, titled PSP, gained further momentum in the year gone by. This program focuses on enhancing the analytical skills, enabling us challenge difficult business problems and establish new benchmarks in quality, throughput, yields, efficiencies, reducing breakdowns, improving delivery times, satisfaction levels etc. In the last year, 76 new people were certified as Blue problem-solving, taking the no. of people currently certified to nearly 430. The program has cumulatively certified over 893 people over the years since launch. In addition, the higher level PSP Silver program



enabled over 20 high impact technical projects to be completed across the Company. The projects enabled SRF develop new or improved products to meet customer requirements in an efficient manner, improved supply chain practices, raised plant efficiencies and throughput, besides continuing to raise technical competencies. Overall, they resulted in approx. ₹ 95 crore in annualised recurrent savings in the last financial year.

SRF's program on building strong execution and project management capabilities, titled "Execution Themes" program, gained momentum last year. Overall, nearly 200 employees are enrolled in the program, with 19 employees certified last year, taking the total to 43.

Building on our long-standing successes in problem solving, SRF launched its first advanced course on Data Science, with a chosen set of functional specialists across the Company. The program is part of SRF's strategic shift to utilise the power of digital, industrial IoT, machine learning, and IT enablement to build capabilities in solving complex problems, with the power of emerging digital technologies and toolkits, both for managing routine operations efficiently as well as making quantum improvements.

The TQM function continued on its own digitalisation journey, refurbishing the online TQM content portal, introducing basic TQM education through e-learning modules and using hybrid models of training and guidance on projects. The strategic thrusts of SRF's TQM application will continue towards making its operations ever-more customer focused, agile and lean, and building a strong foundation for a digital future.

Raw Materials

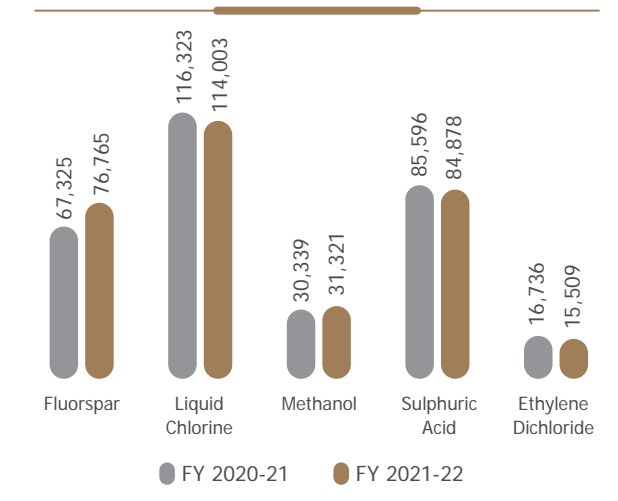
Our primary manufacturing processes use large quantity of key raw materials and various incidental materials; therefore we strive for sustainable sourcing of materials focusing on minimum use of fresh raw materials by recycling and reusing materials to the highest extent possible.

SRF sources its raw materials through a broad network of suppliers and vendors. The focus area for SRF is to move towards local procurement of raw materials to support local businesses and reduce the associated environmental impact. Across SRF 40-50% of key raw materials are sourced locally.

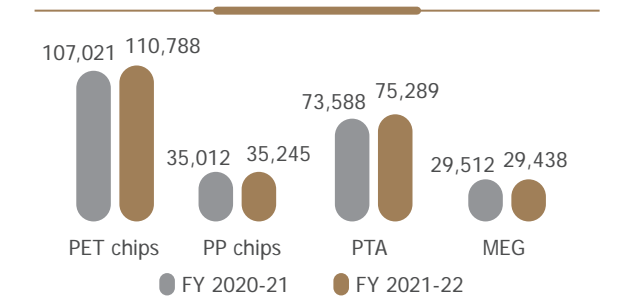
(Business Responsibility Report: Principle 2)

The detailed break-up of key raw materials by consumption across the three businesses of SRF in the last three years is highlighted in the graphs below:

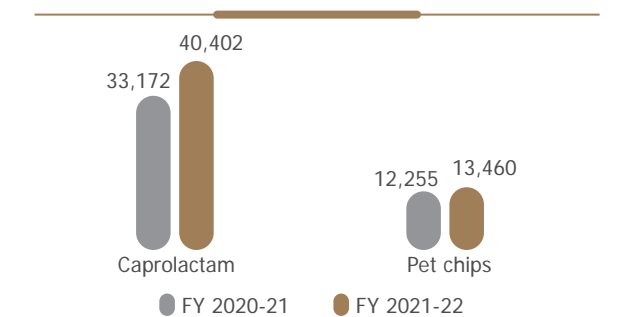
Chemicals Business: Key Raw Material Consumption (MT)



Packaging Films Business: Key Raw Material Consumption (MT)



Technical Textiles Business: Key Raw Material Consumption (MT)



SRF continues to enhance the usage and share of recycled input materials in its manufacturing processes through its product reengineering and innovation. Furthermore, through increased reuse of input materials, waste generated at source is also minimised.

Our Certifications and Accreditations

SRF's efforts on sustainability have been recognised and rewarded on multiple platforms. SRF has received several prestigious industry awards in recognition of its expertise and purpose-led approach from various stakeholders, viz., customers, suppliers, and accreditation agencies. Below is a brief highlight on the same:

- CII-SR EHS Excellence (Bronze) Award - 2021 for commitment in EHS practices in the large-scale industry category (won by Technical Textiles Business)
- Certificate of Sustainability by BW BUSINESSWORLD – Top 50 category
- Mr. Ashish Bharat Ram, CMD of SRF Ltd. conferred the "Transformational Leader Award - Mid Cap Company category" for 2020 by the Asian Centre for Corporate Governance & Sustainability
- Highly Commended Winner of the Best Working Capital Management Solution at the Adam Smith Awards Asia 2021
- SRF Annual Report FY 2020 - '21 wins a Silver and a spot in the Top 100 Communications Materials at the Global Communications Competition, the 2021 Spotlight Awards by the League of American Communications Professionals LLC
- SRF's Packaging Films Business – Indore conferred the Quality Sustainability Award at the international convention, organised by the International Academy for Quality (IAQ)
- TTB Gummidipoondi was conferred the 'CORONA WARRIOR AWARD-2021'
- TTB Gwalior was recognised with a certificate of appreciation for relief work in the flood-hit areas of Bhind district (MP) by the Collector
- SRF Limited won the ROTARY CSR AWARD 2021 for exemplary work in BASIC EDUCATION & LITERACY



INTELLECTUAL CAPITAL



We aim to progressively enhance strategic excellence and enrich customer experience through strategic investments in research and development, innovation and technological advancement.

Material Issues Impacted



Employment

Inputs

- 400+ employees in the Chemical Technology Group (CTG)
- 361 patents filed till date
- 57 molecules developed
- ₹ 117 Cr. R&D spend
- 4 state-of-the-art R&D facilities

Outputs

- 21 patents granted in current reporting period
- Total patents granted till date – 114
- Commercialisation of new products

SRF believes that research and development (R&D) is a key driver for achieving growth by any organisation. Our R&D investments and programs are directed towards the evolving market and climate change requirements.

SRF's Aspirations 2030 emphasises the Company's commitment to innovation. A qualified in-house R&D team specialises on developing new technologies, resulting in world-class product development centres with cutting-edge in-process and product testing facilities, as well as analysis and product development

technologies. We also collaborate with prestigious research institutes to leverage technical expertise in identified areas, and we collaborate with customers to identify evolving needs for further product and service development, allowing us to stay on top of new innovations and evolving skill sets to develop new products and processes.

R&D activities have set up four dedicated R&D centres located across Tamil Nadu, Rajasthan, Haryana and Madhya Pradesh.

Chemicals Business

- The Chemicals Technology Group (CTG) at SRF is actively engaged in the development of new products and process technologies for our Specialty Chemicals and Fluorochemicals businesses
- The CTG employs more than 400 research minds to develop innovative green chemistries, achieve process improvements and demonstrate viability of new chemistries for the future
- Our exemplary team of scientists and engineers, who come from prestigious institutions, work on R&D projects to improve the quality of products and enhance efficiency processes and operations

Packaging Films Business

- Packaging Films Business strives to create efficient, differentiated, safer and sustainable packaging solutions
- Our technology-driven credentials, globally harmonised quality systems and in-house resin manufacturing, allows upstream modifications and helps us improve continuously
- This R&D centre is fully equipped with a pilot polymerisation plant, pilot printing, lamination and coating machine and other state-of-the-art equipment to simulate customer processes on pilot scale, offering a key advantage to reduce concept-to-market cycle times

Technical Textiles Business

- The R&D facility for Technical Textiles Business includes pilot facilities for polymerisation, spinning, twisting, and dipping, enabling ideation and development of new products and also raising internal technical capabilities for current products.

Accelerating Digital Transformation

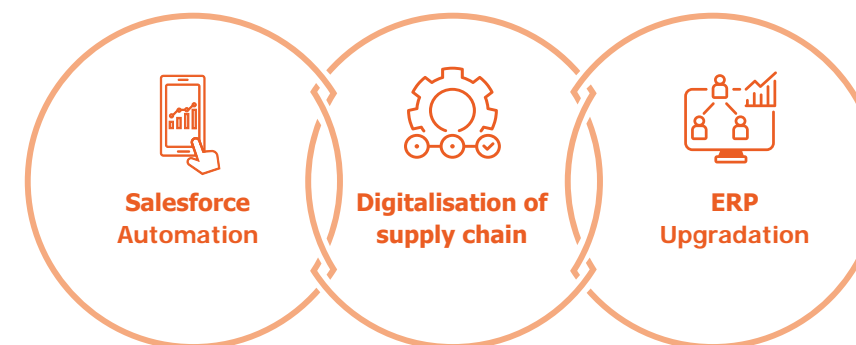
SRF has worked diligently to achieve operational excellence by focusing on resource optimisation and producing high-quality, long-lasting products through the incorporation of digitisation into its core business strategy and across its value chain.

The Company has invested in futuristic and scalable digital platforms to initiate enterprise

transformation through process digitisation and digital workflows, analytics, automation, and cloud product suites. This has helped in accelerating strategic decision-making and modernising the Company's IT landscape. This has also been pivotal in mobilising a digitally empowered workforce and have a competitive edge in the evolving business market, thereby creating value for its customers.

Key Focus Areas

SRF supply chain efficiency focuses on three critical areas as part of the operational excellence efforts, asset optimisation and sales and marketing effectiveness as listed below:



Salesforce Automation - SRF plans to implement Customer Relationship Management (CRM) across all manual sales management processes to achieve complete digitalisation. This initiative has already been implemented in Technical Textiles Business and the plan is to scale it to other businesses in the future.

Digitalisation of Supply Chain - SRF plans to digitalise its entire value chain by increased supplier interactions through a supplier information and engagement portal.

ERP Upgradation - To increase the operational effectiveness, the current ERP system is being updated with the introduction of new modules. For instance, SRF is in the process of building an Enterprise Command Centre on the current ERP system. This will monitor data and information in real-time, ensuring optimisation and efficiency in operations.



NATURAL CAPITAL



As the world is shifting to a low-carbon economy and embracing sustainable practices to develop greener solutions, SRF continues to strive to maximise resource efficiency, thereby minimising the impact of its operations on the environment.

Material Issues Impacted



Energy Management



Water & Effluents



GHG & Air Emissions



Waste Management

Inputs

- Strong focus on the use of renewable energy
- Renewable energy and biomass consumption – 914 TJ
- Water withdrawal – 4,819 Million Litres
- Total energy consumption – 10,755 TJ

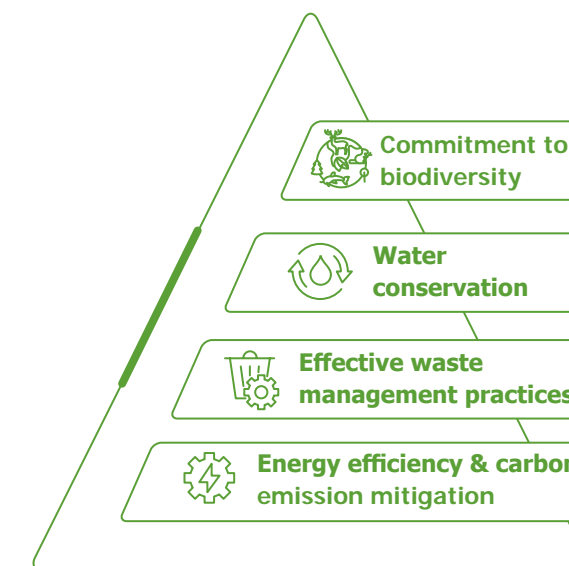
Outputs

- Energy savings – 20 TJ
- Reduction in GHG emissions
- Adequate waste disposal mechanism
- Efficient use of natural resources and reduced consumption
- Reduced usage of fresh resources
- Biodiversity preservation

With sustainability at the core of our organisation, we work towards making a positive impact on the environment beyond complying with applicable laws and regulations. During the year, we have directed focused efforts to optimise our resource consumption, including initiatives to reduce energy and water consumption, waste generation and emissions. At present the Company does not have any project related to Clean Development Mechanism.

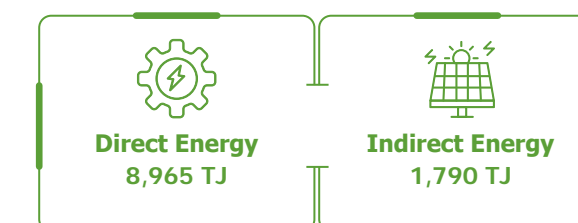
Furthermore, SRF complies with all applicable environmental regulations and periodically conducts Environmental Impact Assessments, wherever required. We have implemented environmental management systems in accordance with ISO 14001 standards across several plant facilities and reinforced the Company's Environment Health & Safety Policy across businesses in line with our commitment to environmental protection. **(Business Responsibility Report: Principle 6)**

Key strategic focus areas for climate change mitigation and environment protection



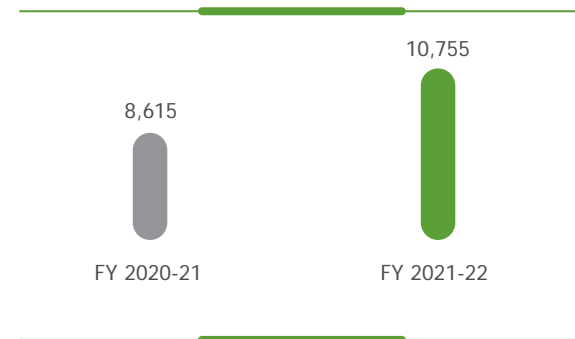
Energy Management

We are committed to optimising energy consumption throughout our operations and reducing the associated carbon footprint to combat climate change. As part of SRF's energy management strategy, we have set a high priority for the implementation of energy management systems and processes. SRF has taken calibrated steps to optimise energy needs while increasing the share of renewable energy in the overall energy mix of the Company. Below highlights the details of our direct and indirect energy consumption:

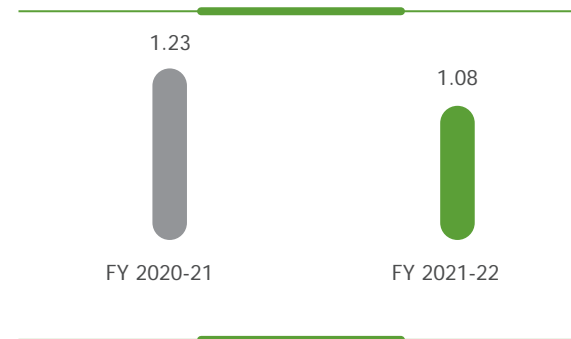


We have a total of 18.95 MW installed capacity of renewable energy, which includes an onsite 5 MW solar power plant and an offsite 13.95 MW wind power plant. In FY 2021 - '22, our energy consumption from renewable sources stood at 914 TJ (including biomass consumption). Going forward, we are driving efforts towards implementing solar power generation projects and entering into power purchase agreements with third-party agencies to increase our share of renewable energy in our total energy mix.

Total Energy consumption (TJ)



Energy Intensity (TJ/Crore ₹)



We have adopted a systematic approach to optimise our energy consumption levels. We have retrofitted lightening and replaced high energy consuming manufacturing equipment in our Chemicals, Packaging films and Technical Textiles business. Our total energy savings are 5,504 MWh (20 TJ). Details of savings achieved in each business is tabulated below:

Energy savings initiatives

2,803 MWh	1,231 MWh	1,470 MWh	5,504 MWh
Chemicals Business	Packaging Films Business	Packaging Films Business	TOTAL SAVINGS

(Business Responsibility Report: Principle 6)

SRF is committed to progressively reducing greenhouse gas (GHG) emissions by identifying significant emission sources and implementing plans to minimise the carbon footprint. We take a proactive and vigilant approach towards tackling issues of climate change. As part of this process, we develop greenhouse gas (GHG) emissions inventories to map our impacts and identify opportunities for improvement. With our efforts in emission monitoring and GHG inventories, SRF's Fluorochemicals Business is first Indian chemical Company to obtain ISO 14064-1:2006 certification for GHG emissions verification.

(Business Responsibility Report: Principle 6)

Air Emissions

SRF has installed a real-time air emissions monitoring system to ensure that emissions from manufacturing processes are continuously monitored and kept to a minimum. Automated monitoring mechanisms are in place to ensure air emissions from manufacturing processes are in check. Stack monitoring for utilities like boilers, diesel generators etc. are conducted on

a regular basis. We are compliant with the mandates of respective Pollution Control Boards of the states in which we operate. As on 31st March 2022, there is one pending notice received from the State Pollution Control Board, which was resolved subsequently.

(Business Responsibility Report: Principle 6)

Water Management

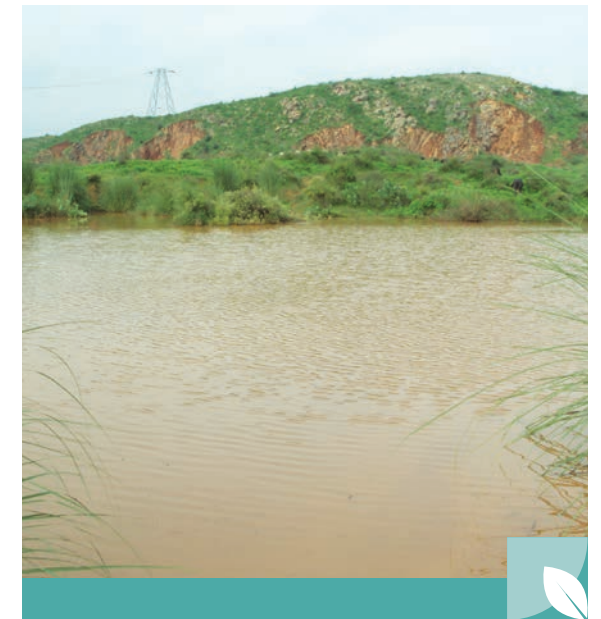
The Company's strategic focus areas towards effective water management include reducing water consumption with water-efficient technologies, recycling and reusing treated wastewater in operations and increasing rainwater harvesting.

SRF is maximising its efforts to ensure efficient water management to reduce dependency on freshwater and ensure optimum utilisation. We have installed wastewater purification systems to ensure that the quality of wastewater generated is within the permissible limits set by the respective Pollution Control Boards. In addition, we re-use treated wastewater for humidification and the development of green-belt areas. The Company conducts ETP/STP

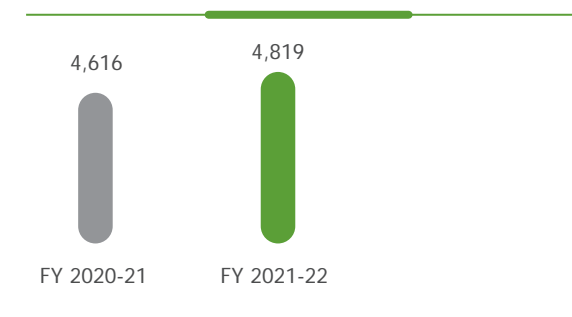
treated wastewater monitoring through third-party agencies to monitor wastewater quality characteristics before discharging the treated wastewater into garden areas.

We have a continued focus on rainwater harvesting for groundwater recharge as well as utilisation within the plants. As on date, PFB - Indore (SEZ), Bhiwadi, TTBM and TTBT Plants have installed rainwater harvesting systems.

In FY 2021 - '22, our water withdrawal stood at 4,819 Million Litres, which was procured from various sources including state municipal corporation, third-party water, etc. About 1,696 Million Litres of total water consumption was met through recycled wastewater. The graphs below depict the water procured and the recycled wastewater reused within the plants across.

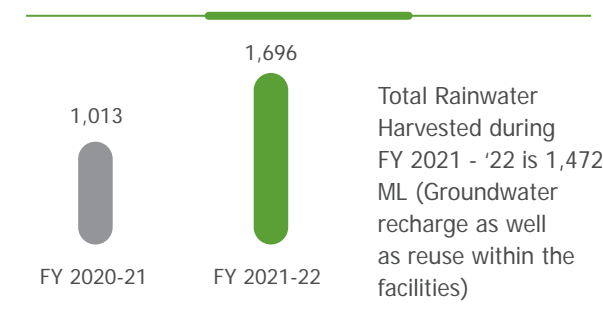


Water Withdrawal (Million Litres)



*Water withdrawal data of FY 2020 - '21 has been updated and includes rainwater harvested and reused

Water Recycled (Million Litres)



*Water recycled data of FY 2020 - '21 has been updated and includes steam condensate water recovery

Waste Management

Our waste management strategy focuses on internal waste management including - measurement and categorisation of waste, and following the 3R principle - Reduce, Reuse and Recycle.

In PFB unit, we recycle non-usable metallised BOPET film waste by unique demetallisation process. The Company is also collaborating with cement companies to utilise fly ash generated from our operations as an input in their production process.

(Business Responsibility Report: Principle 2 & 6)

Biodiversity Management

SRF considers biodiversity to be a critical concern and has taken several steps to preserve biodiversity in the areas surrounding our business units. We conducted several reforestation campaigns in and around our business units and with the schools that are part of our CSR programs to increase biodiversity. We also conduct Environmental Impact Assessments to ensure business operations are conducted in a way that protect biodiversity in the neighbouring communities. SRF's units are not located around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required.

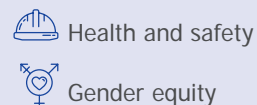


HUMAN CAPITAL



Our People are the force behind SRF's consistent and successful performance. Our steady growth would not have been possible without the active contribution of our people – our most valuable assets

Material Issues Impacted



Health and safety

Gender equity



Employee training and development



Labour issues

Inputs

- Permanent employees – 6,674
- EHS training hours – 27,992 hrs
- Health and Safety standards as per best-in-class practice

Outputs

- Employee Engagement Survey Score – more than 90%
- A safe, rewarding and inspiring place for employees to grow
- 8% increase in female workforce across all management levels

Human Resource Management: Focus Areas

SRF recognises that knowledgeable and skilled human capital propels a Company in the right direction. Human capital is both valuable and crucial for our business operations and for creation of long-term value for its stakeholders. It is our constant endeavour to evolve as a relationship-based Company that recognises and nurtures the unique capabilities of its employees. We seek to promote diversity and inclusivity by providing a conducive environment for professional advancement.

SRF is committed to creating a safe and healthy work environment that helps increase productivity and enhance employee happiness. Our people centric policy, established by the human resource team, helps us ensure an engaging and participatory workplace.

Human Rights

Employee Engagement

Skill Evaluation

Grievance Redressal Mechanism

Diversity & Inclusion

Performance Management & Feedback

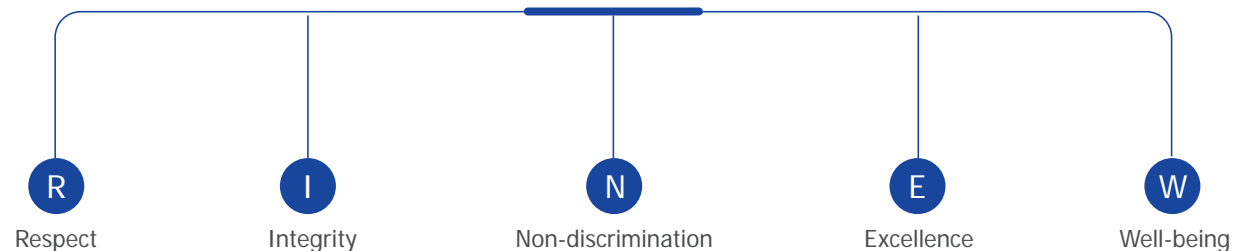
Training & Development

Health & Safety

Labour Relations

Our employees play a vital role in attaining our business objectives. To nurture the talent pool, SRF places a strong emphasis on cultivating a culture of learning and motivation while focusing on increasing productivity and efficiency among the employees. For this purpose, we ensure continuous training and better health and safety practices. Furthermore, to support growth and well-being of employees, SRF ensures protection and promotion of human rights, ensures diversity and equal opportunities to all, and focuses on appropriate and timely reward and recognition. SRF's Human Resource Management is driven by its core Values **(RINEW)** that guide the Company's actions and behaviours:

Our Values



Diversity and Inclusion







The Company is progressively working towards creating an empowering environment that embraces diversity and inclusion. SRF is committed towards fostering a diverse and inclusive workplace, free from any sort of harassment and/or discrimination based on gender identity, age, ethnicity, sexual orientation, disability, faith, or marital status. SRF has adopted the Women's Empowerment Principles, along with 3,000 other organisations around the world, partnering with UN Women on the critical journey of achieving gender

equality. The principle emphasises the business case for corporate action to promote gender equality and women's empowerment. SRF is an equal opportunity employer that values a gender-balanced workforce.

SRF places focus on sensitising people, especially leadership, to constantly challenge the hidden biases, and providing policies that support and encourage people from diverse backgrounds.

(Business Responsibility Report Principle 3)

Detailed break-up of SRF's workforce is presented below:







S. No.	Total employees by category	FY 2019 - '20		FY 2020 - '21		FY 2021 - '22	
							
1	Senior Management	64	2	70	3	67	3
2	Middle Management	193	16	191	16	194	17
3	Junior Management	558	76	606	82	652	89
4	Non-Management Staff	5,241	149	5,267	151	5,498	154
5	Temporary/ Contractual Workers*	3,933	182	4,652	203	7,072	361
TOTAL *		9,989	425	10,786	455	13,483	624

* During FY 2021 - '22, SRF also hired 3,187 temporary / contractual employees.

In addition, the Company has taken proactive steps that encourage disability inclusion by providing equal opportunities to people with disabilities. During the reporting period, SRF has 18 employees with disabilities in its employment.

(Business Responsibility Report Principle 3)

Detailed breakup of SRF's employee turnover is presented below:

S. No.	Employee turnover in each individual category	FY 2019 - '20		FY 2020 - '21		FY 2021 - '22	
							
1	Senior Management	6	0	2	0	3	0
2	Middle Management	20	2	28	2	14	0
3	Junior Management	78	12	53	9	99	16
4	Non-Management Staff	241	24	356	13	323	32



Training and Development







SRF believes that an organisation's growth is directly linked to the growth and development of its employees. For this purpose, we offer on-the-job learning modules and trainings for all our employees to give them a chance to grow and enhance their skills.

To boost employees' morale and meet dynamic organisational needs, we, at SRF, have a well-managed Training and Development process under which we conduct regular training programs and modules. These modules are divided into three categories, i.e., Technical, Behavioural and Functional. Under our Training and Development process, we identify individual training needs, and prepare an annual training calendar for all employees. Additionally, customised training programs are also deployed to attain the intended outcomes. The focus of

development has shifted from being reactive to being proactive, keeping in mind new requirements imposed by the changing environment. Research suggests that post COVID, a competency that will decide the future of organisations is 'Emotional Intelligence' of the organisation's human capital. SRF too, places emphasis on this competency and conducted several developmental initiatives across the organisation covering the entire management under this. For the year ahead, 'Agility' and resilience' have been added to the list of competencies that need emphasis.

Not only this, we, at SRF, also believe in instilling a culture of safety at the workplace. For this, we conduct safety and self-defence trainings, fitness classes and employee assistance programs as part of our well-being initiatives.

Below table highlights training hours of contractual and permanent employees during FY 2021 - '22:

S. No.	Total training hours for permanent and contractual employees	FY 2019 - '20		FY 2020 - '21		FY 2021 - '22	
							
1	Senior Management	1,297	12	478	34	1,619	112
2	Middle Management	5,097	275	4,264	296	22,286	537
3	Junior Management	15,517	2,395	14,647	1,629	39,669	4,309
4	Non-Management Staff	82,000	1,927	33,702	1,418	72,731	2,029
5	Temporary/ Contractual Workers*	28,464	1,451	23,473	1,380	16,767	1,723
TOTAL *		132,374	6,060	76,564	4,757	153,072	8,710

* In brief, during the year, 70% of the employees were covered under Health, Safety and Skill Training.

(Business Responsibility Report Principle 3)

Skill Evaluation System

Our skill evaluation system enables us to evaluate and improve the skill level of our employees. The skill level measurement is based on 3 core parameters: Assignment, Observation, and Interview, with each having different weightages. As a practice, we annually evaluate a majority of our employees on their skill sets over a range of technical parameters including:

Job-specific competencies

Skill-specific competencies

Soft skill competencies

Environment, health
and safety

Emergency response plan

(Business Responsibility Report Principle 3)



Human Rights

SRF has a long history of upholding and preserving human rights and is against all forms of discrimination and human rights violations. SRF has a zero-tolerance approach for human rights violations.

A strong leadership commitment is essential in building and maintaining an ethical culture where human rights are given utmost priority. SRF's Human Right Policy covers the following aspects:

- Protection against forced and/or child labour
- Providing equal opportunity

- Commitment towards compliance and adherence to all applicable laws pertaining to human rights
- Protection against sexual harassment at the workplace
- Providing a healthy and safe work environment
- Encourage formation of various committees that have representation from the workforce and make suggestions on measures to improve working conditions in the Company
- Committed to ensure continuous upgradation of the skills and competence of employees

- Well-being of employees
- Reporting human rights violations

The Code of Conduct and the Whistle-blower policies are the pillars of the Human Rights policy in the organisation. SRF maintains strict adherence towards protection of human rights with supplier/contractor and does not employ anybody below the age of eighteen years. SRF also prohibits the use of forced

or compulsory labour across all units and discourages the same with the business associates/partners like suppliers, contractors, etc. During the current reporting period, there were no complaints relating to child labour, forced labour, involuntary labour at SRF. However, there were three complaints related to sexual harassment which were duly resolved. There are no outstanding complaints at the end of the financial year.

(Business Responsibility Report: Principle 3 & 5)

SRF provides a healthy work environment and offers equal growth opportunities to all its employees. The Company's leave policy includes provisions for maternity and paternity leaves for all employees. Equal opportunities are provided to those who re-join after availing parental leave. Detailed break-up of parental leave entitlement and usage of these by employees in the last three years is highlighted below:

Parameter	FY 2019 - '20	FY 2020 - '21	FY 2021 - '22
Number of employees entitled to parental leaves during reporting period	6,299	6,386	6,674
Number of employees who took parental leaves during reporting period	482	384	436
Number of employees who re-joined back after parental leaves	425	375	432

98%

permanent employees returned to work

100%

of employees are covered by Health insurance, Accident insurance, Maternity benefits, Paternity benefits & day care facilities.

Performance Management and Feedback

Performance development reviews and feedback are critical pillars that shape the growth trajectory of employees in an organisation. At SRF, employees are evaluated on a regular basis and relevant positive as well as constructive feedback is provided to them to help identify their strengths and weaknesses. Adequate support is provided to them to help in minimising gaps and in leveraging their strengths.

SRF has adopted a robust performance management and development system which helps the organisation sustain a fair and transparent culture. All employees, at all levels, are evaluated and career development assessments and roadmaps are prepared accordingly.

As part of creating an open and transparent work culture, managers are encouraged to use 360-degree feedback mechanisms to receive regular feedback and adjust their working style accordingly.

SRF's compensation philosophy is designed to ensure promotion of meritocracy, and rewards that are commensurate with a role's market value. In fact, we maintain a high percentile position in the talent marketplace, especially for critical roles and resources. All roles are evaluated using a well-established and reliable methodology and accordingly grade structures are implemented. This is done once every 2-3 years to remain aligned to the market.

Rewards and Recognition

SRF has implemented a Rewards and Recognition that is solely based on merit and helps in encouraging and retaining a rich talent pool. The Rewards and Recognition program includes monetary, non-monetary, informal day-to-day and semi-formal and non-monetary recognition.

- Special Achievement Awards
- Significant Contribution Award
- Protsahan Awards

Formal Award

Monetary Award

- Significant Contribution Award
- Long Service Award
- Spot Awards

Informal/ Day to Day Award

- Verbal and Written appreciation
- Team appreciation

Semi formal & Non-monetary

- Happy Hours
- Work Anniversary
- Appreciation Cards
- Team Celebration

Online Rewards and Recognition

With a view to place higher focus on reward and recognition, SRF has named its R&R policy - PRAISE. Under this policy, one can find several modes of recognition, both formal and in-formal, that are available at the disposal of our empowered managers. These include multiple avenues such as spot awards, special achievement/significant contribution awards, birthday vouchers, well done, thank you, nice idea cards, etc., along with the annual 'protshan' awards.

The local HRs also arrange in-person and/or group recognition events at regular frequency in order to ensure public appreciation of awardees.

Development of Rewards and Recognition Online Portal

SRF designed and developed an online Reward and Recognition portal internally that caters to entire SRF India. Below are the key highlights of the portal:

- Auto-triggered wishes and vouchers on birthdays, with an intimation to the entire team
- Flexible solutions for managers and colleagues so they can extend a Spot Award to a subordinate/colleague (redeemable online)
- Option for managers to recommend a subordinate for a Special Achievement Award or a Significant Contribution Award
- Virtually appreciation of subordinate/colleague with a Thank you, Nice Idea and/or Well-Done card

Employee Engagement

Maintaining a high level of Employee engagement is the cornerstone of SRF's human resource management philosophy. Employee engagement activities are held on a regular basis and these help in building a strong relationship with all employees. The Company has adopted a systematic approach to assess the satisfaction levels of employees through an annual Employee Engagement Survey. The survey is crucial for the identification of critical areas of improvement, key issues or concerns, and recommendations

for the future along with corrective action plans. According to the Employee Engagement Survey, the overall employee engagement was more than 90%. Several other externally conducted surveys like the Gallup Survey and the eNPS also offer anonymous options to employees to share their feedback. In addition, open houses and discussions with senior management are also conducted on a regular basis to solicit feedback from employees for the betterment of the organisation and well-being of all.

*eNPS is a score that indicates a former employee's willingness to re-join the Company. Gallup Survey is an employee engagement survey. Both are calculated independently by an external agency.

eNPS

- In FY 2021- '22, eNPS was recorded as 66%, which is the highest in the last 3 years and shows an 18% increase from last year
- Industry average for eNPS for manufacturing sector is 26%

Gallup Survey

- 91% women said they feel safe working at SRF
- 85% employees are confident in the ability of the leadership to successfully face the challenges ahead
- 80% employees said they have a work environment where people can try, fail, and learn from mistakes

Grievance Redressal Mechanisms

At SRF, we are cognizant of the value of grievance redressal systems and use these to strengthen stakeholder relationships and ensure efficient business operations. SRF has put in place formal grievance procedures that help in effective implementation of policies, protection of human rights and steering the organisation towards a more sustainable future. SRF offers several platforms to seek feedback and suggestions from its employees ensuring an inclusive culture across the organisation.

Labour Relations

SRF believes in creating a culture of open communication so as to build a strong and healthy relationship with its workers. SRF has implemented robust systems, such as SA 8000, across several plants. They also monitor and ensure wellbeing of workers and provide a safe and productive work environment. The Company has set up various committees that have representatives of both management and workers and these provide a platform for communication and ensure transparency. These include employee

For this purpose, 'People Redbook Systems' have been put in place at various locations. These grievance handling systems provide a platform to employees to voice their grievances. Employees and workers can anonymously submit their grievances in offices and plants through complaint and suggestion boxes. The grievance procedures clearly outline the resolution process in a fair and independent manner while respecting confidentiality.

associations, canteen committees, health & safety committees, etc., and significantly contribute to workers' well-being and satisfaction.

These associations are recognised by the management and provide a forum for interaction and resolution of issues between management and employees. These employee associations have about 26% of permanent employees as members.

(Business Responsibility Report: Principle 3)

100%

of total eligible employees are covered by PF and gratuity benefits and 7% by ESI



Occupational Health and Safety

SRF strongly believes that safety is an integral part of conducting business. As a responsible organisation, SRF strives to ensure a safe and healthy working environment for its workforce.

To keep the employees safe, SRF educates them on the importance of safety practices and trains them to deal with adverse events and at the same time, trains them on ways to avoid such incidents. This is done through regular safety trainings and mock drills.

The Company strives to achieve zero injury/fatality/incidents/accidents across all its plants and manufacturing units. The Company handles, stores

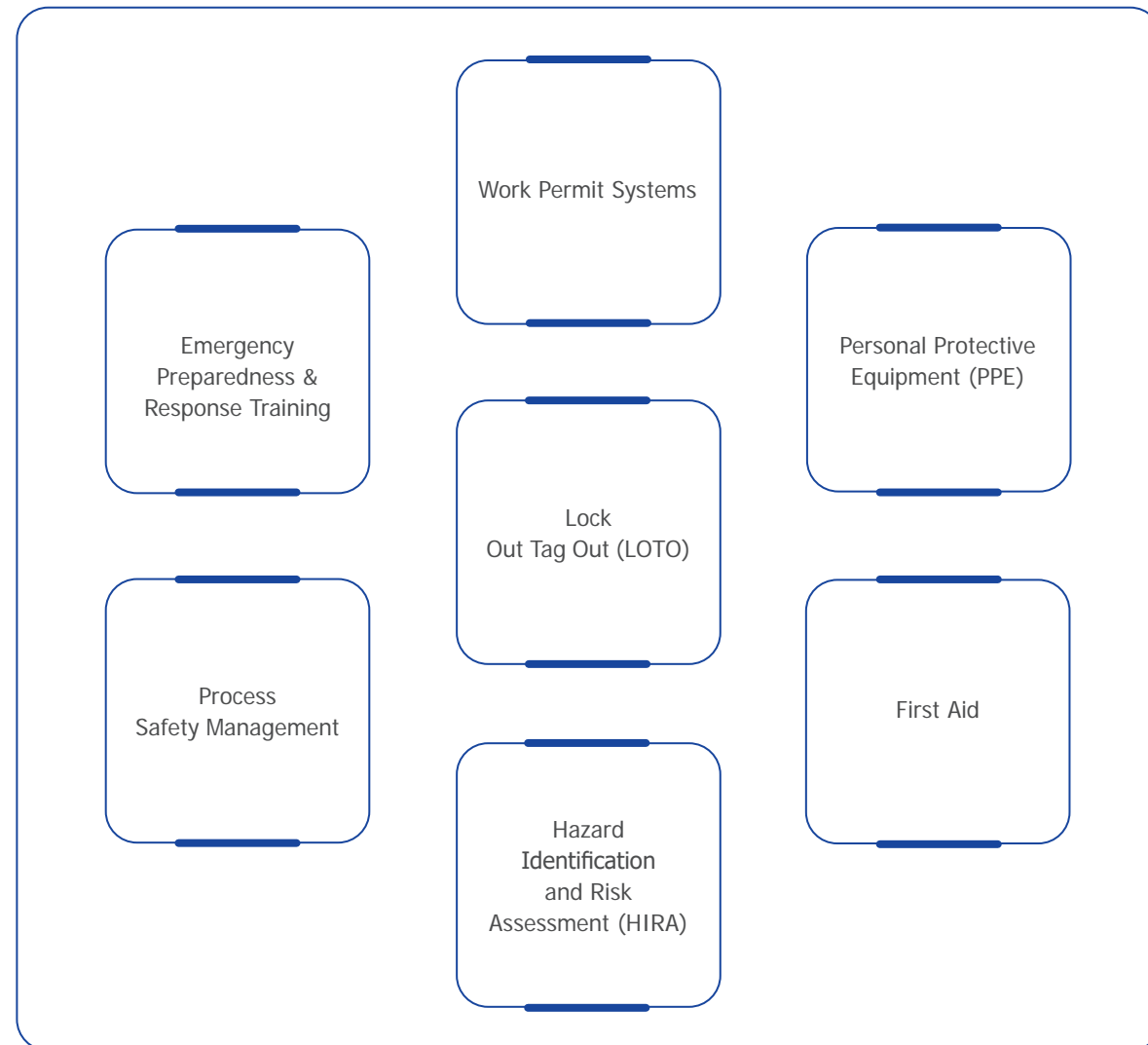
and distributes its products in an environment conscious manner.







Emergency response plans, safety procedures and processes have been deployed across the organisation to ensure a healthy and safe workplace.

In addition to the above, EHS committees have been formed across plants to build a safety-oriented culture across the organisation. This helps in ensuring proactive identification and avoidance of safety incidents. SRF has systems in place to monitor and address issues at an early stage and help take pre-emptive measures and report near-miss incidents.

During the year, no complaints were made by employees and workmen on working conditions and health and safety issues.

Concerted efforts are directed towards conducting health and safety trainings for the entire workforce on several aspects related to health and safety to drive a cultural transformation around safety in the organisation. The focus is also to bring about behavioural change even at the shop floor level through continuous trainings, awareness programs and proactive identification of unsafe situations. These include the following: -

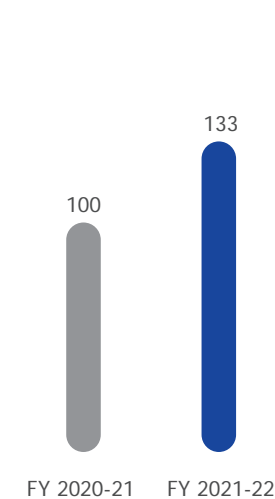


S. No.	Total training hours for permanent and contractual employees	FY 2019 - '20		FY 2020 - '21		FY 2021 - '22	
							
1	Permanent employees	41,189	1,579	17,805	934	24,508	3,484
2	Temporary/ Contractual employees	34,592	1,902	27,216	1,591	16,095	1,622
TOTAL		75,781	3,481	45,021	2,525	40,603	5,106

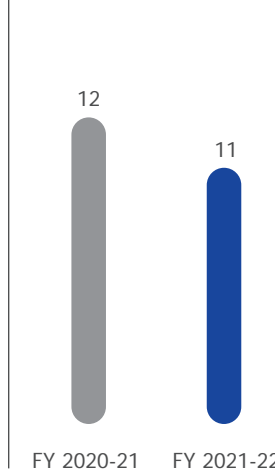
SRF's Packaging Films Business at Indore SEZ and DTA Plants are certified in accordance with the OHSAS 18001:2007 Standard, which is an international occupational health and safety management system. Also, these plants conform to the Five Star Occupational Health & Safety Standard.

The graphs below highlight the health and safety performance over the last two years:

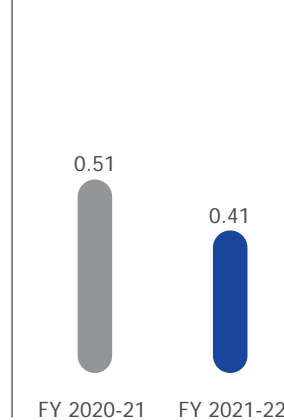
First Aid Cases



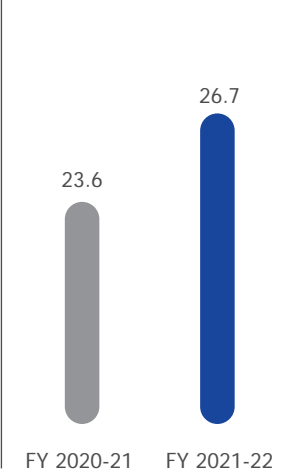
Lost Time Injuries



Lost Time Injury Frequency Rate (LTIFR) per million man-hours worked



Million man-hours worked



S. No.	Category	Unit	FY 2019 - '20	FY 2020 - '21	FY 2021 - '22
1	Management members in the health & safety committee	No.	174	174	213
2	Non-management members in the health & safety committee	No.	193	177	219
TOTAL		No.	367	351	432

Creating a safe workplace amidst the rising COVID-19 pandemic

SRF has undertaken several efforts to mitigate the impact of the unprecedented COVID-19 pandemic on its business and stakeholders. Some of the key initiatives undertaken amidst the rising COVID-19 cases in the county are mentioned below:

- Staying virtually connected with employees
- Reaching out to employees in distress
- Implementation of guidelines and measures for ensuring social distancing and safe hygiene practices for common services
- Deploying extensive communication including health/travel-related advisories
- Ensuring scheduled sanitisation of workplace, vehicles and rest rooms
- Enforcing guidelines for security personnel and admin staff in maintaining discipline
- COVID-19 Insurance Policy coverage
- Providing financial assistance to employees in need
- Ensuring supplies, including food and medicines to employees in need
- Tie-ups with virtual doctor programs to assist employees in need
- Creating awareness on safe and healthy work practices for all employees and imparting behavioural trainings
- Identifying areas of potential health hazards and taking necessary action



SOCIAL & RELATIONSHIP CAPITAL

Our inclusive approach to business operations has strengthened our stakeholder relationships while reinforcing our efforts for environmental protection and value-added performance.

Material Issues Impacted



Employment



Local Communities



Occupational Health & Safety

Inputs

- Community investment of ₹ 21 Cr.
- Healthy relationship with customers, suppliers and other stakeholders, supported by continuous engagement and long-term relationship with stakeholders

Outputs

- Total CSR beneficiaries 211,782
- Stakeholder recognition and satisfaction

(Business Responsibility Report: Principle 8)

SRF has made sincere efforts toward building strong and thriving relationships with all relevant stakeholders. These include customers, suppliers, local communities, etc. The Company has been consciously pursuing the agenda of empowering stakeholders to create sustainable value for all.

Besides building sustainable social capital, the Company has taken adequate measures to ensure that its operations do not have any impact on the environment or the ecosystems where our units operate.

Transforming Lives in Local Communities

At SRF, we believe in inclusive growth for all. We have committed ourselves to transforming the lives of local communities through meaningful initiatives, especially for the upliftment of disadvantaged and marginalised sections of society. Towards this end, we ensure continuous monitoring and improvements in our CSR initiatives so we can adequately address the emerging needs of the local communities and create shared value for all. The focus of such initiatives are to provide Quality Education, Empower Youths through Vocational Skill Development, Art and Culture promotions, Healthcare, Natural Resource Management and Disaster Management.

The SRF Foundation oversees all of our CSR activities in India, including one of our largest community programs. Before implementing any CSR project, we conduct a needs assessment of the local communities around our operating units through a dialogue with them. This exercise provides us with useful insights

about the prevailing issues, needs and aspirations of the communities as well as their apprehensions regarding the project, if any. It also enables us in seeking the necessary community support for the efficient and timely implementation of the project. The CSR team collaborates with Government, NGOs and local community members in implementing the necessary interventions. We also encourage our employees to volunteer for social activities at all our plant locations under the aegis of our CSR Council.

(Business Responsibility Report: Principle 8)

The local communities are vested with full responsibility and ownership of the programs, post their completion by SRF. This enables successful adoption and sustenance of these CSR programs. It also enables capacity building of local communities. We monitor the outcomes and milestones of our programs and carry out independent impact assessments at regular intervals. We recently conducted the social impact assessment for our ongoing CSR programs at Mewat district in Haryana and Bharuch district in Gujarat.

The contribution by SRF Foundation has been recognised by several agencies of the Government of India. The Foundation has received prominent awards such as the National CSR Award in Challenging Circumstance by Government of India, Best Corporate Foundation in Education Category by CSR Times and ICSI CSR Excellence Award by Institute of Company Secretaries of India.

(Business Responsibility Report: Principle 8)

Water Treatment Plant at Delhi Golf Club

SRF provided financial support to Delhi Golf Club in developing "Bio STP Technology". This technology involves extracting sewage water up to 3 MLD from NDMC pipeline running through the Golf Course and processing it to obtain irrigable water.

The salient advantages of this technology are as follows:

- DGC will have adequate water throughout the year to maintain the two golf courses and its associated facilities
- The treatment technology is proven
- The method is efficient and cost effective
- The process is environment-friendly and safe

Wow on Wheels (WoW)

'HP WoW' vehicle is a 20-seater computer and IT-enabled vehicle powered by green energy and backed by numerous software suites and cloud integration. This program is implemented by SRF Foundation as a mobile solution to help bridge the digital divide between urban and rural areas. This is achieved by bringing easy information technology access to the isolated and disadvantaged groups. It promotes IT enabled education through e-learning modules and basic computer literacy courses for children living in the rural areas. With added services of Common Service Centre (CSC), it benefits the local population by providing a hassle-free access to Government programs and initiatives.



Rural Education Program

Under the Rural Education Program, SRF Foundation is working towards upgradation of infrastructure in Government schools. These schools are transformed into 'Model Schools' by providing them with upgraded physical infrastructure along with digital tools. Some of the upgrades include - improved sanitation facilities, access to clean drinking water, technology application, mobile science education, sports and games promotion, construction of well-equipped libraries and science labs, BaLA (Building as learning aid) paintings etc.

Apart from the physical transformation of schools, the SRF Foundation imparts leadership and curriculum training to teachers and the School Management Committees (SMCs). The Foundation works closely with them to raise the quality of teaching and create the best possible learning environment in these schools.



Flood Relief – Bhind, Madhya Pradesh

The SRF Foundation worked relentlessly to support the flood-affected Mehgaon, Raun, and Amayan Tehsils of Bhind district and its adjoining areas when heavy rains ravaged the Bhind District of Madhya Pradesh. When constant rain brought life to a halt and caused widespread damage, SRF Foundation mobilised its team and distributed relief kits to provide immediate sustenance to the affected families. As a part of Corporate Social Responsibility, the SRF Foundation distributed 500 packets of food, which consisted of 17 items worth ₹ 7,27,483, along with clothes and other possible help for flood relief under Disaster Management. SRFF's prompt response and goodwill was welcomed as well, for which SRFF was awarded a token of appreciation by the Commissioner of Chambal Division, Shri Ashish Saxena (IAS) himself.

Flood Relief – Gummidipoondi, Tamil Nadu

Heavy rains pounded Tamil Nadu's Thiruvallur district, dumping over 1,000 mm of rain in just four weeks, and they wreaked havoc on people's lives and property. The disaster was of such a magnitude that the Revenue Officers - Tahsildar and Revenue

Flood Relief – Manali, Tamil Nadu

Severe rain in Manali, Tamil Nadu in 2021 adversely impacted the lives of thousands of people. SRF Foundation contributed in the process of helping out the Tamil Nadu Rescue Force, consisting of police officers, by providing them with 40 pairs of gum boots, so that their safety remains assured while aiding others. The Foundation also did its part for the community by arranging for 200 bedsheets, 100 pillows and 32 bed covers for the disaster-struck people. The provision of food was also done, for both the policemen and the people in affected communities.

Inspector of Gummidipoondi approached SRF Foundation to assist in the recovery efforts of the affected people in and around the Gummidipoondi area of Thiruvallur. The Foundation also ensured the delivery of 101,038 in sponsored essential provisional items such as **rice, dal, oil, and food to the 500 flood-affected families.**

101,038

Sponsored essential provisional items

COVID-19 Response

SRFF organised several vaccination camps for COVID-19 that have managed to reach 115 local communities in the country in the year 2021-22. This camp was organised in collaboration with Sharda Hospitals to reach places where reach of vaccines through conventional methods was difficult and where there was heightened fear and distrust of the vaccine among the people. Overall, pan-India SRF Foundation's noble actions impacted 15,000 people through vaccination drives.



15,000 people

Benefited through vaccination drive

During the second wave, the Foundation also provided oxygen support to severely-affected areas and impacted 1,000 beneficiaries through oxygen concentrators and 200 people through oxygen plants. Additionally, also provided essential anti-COVID equipment such as masks and sanitisers to the students at Government High School, Manali to help them battle this dangerous virus. These recipients of these goods in the school included more than 30 Teachers and 500 students.



Vocational Skills

Basic Electrician Training Program

SRF Foundation offers skill training in basic electrician trade through 13 centres across country. The trainees are from the poorer parts of rural society. A total of 401 people were trained in basic electrician training programme in 2021-22, with more than 60% of them being placed.

Spoken English Training Program

The teach India is a spoken English Program being run by SRF Foundation since 2010 in Nuh Block of district Nuh (Mewat) aims to build proficiency in the spoken aspect of the English Language. The students completing the course can seek good job in various MNCs in the service sector such as Retail Chains, Food outlets, call centers, schools, NGOs etc. and can easily earn about ₹ 8-12 k per month. Last year, 249 students successfully completed the Spoken English Language course.

Basic Computer Literacy Program

In 2017, SRF Foundation launched the Basic Computer Training Program aiming to provide knowledge and the required skill set to the youth of Nuh, Mewat, Haryana under its Rural Vocational Skills Program (RVSP). This is a three-month-long program which is free of cost for the students. During the course, students learn about MS Word, MS Excel, MS PowerPoint, and the internet. They also learn about personality development through personality development classes. During the financial year of 2020- '21, the program successfully mobilised 247 students in 4 batches. All 247 students completed the course.

401 people

were trained in basic electrician training programme in 2021-22



Partnering with Customers in their Growth Journey

SRF engages with its customers in diverse and meaningful ways to build sustainable and trust-based partnership with them. The Company seeks customer feedback through periodic customer satisfaction surveys. We utilise robust resolution mechanisms to ensure that customer feedback is incorporated on a regular basis, and corrective measures are taken promptly.

As on 31st March 2022, 5% of the total complaints received during the financial year were pending for resolution.

(Business Responsibility Report: Principle 9)

Product Labelling

To maintain transparency in terms of information disclosure, SRF ensures that all important and relevant

information about the product is disclosed in the labels. This includes instructions pertaining to usage of the product, product grade, dimensions, gross weight, and any other applicable regulatory requirements. Other details such as material factsheet, safety instructions, Zero ODS, information related to handling of product, hazard class (for hazardous materials), or any other special information requested by the customer is also disclosed in the labels.

In addition to the required state and national laws, our Chemicals business comply with all applicable international rules and regulations, such as the e Globally Harmonised System (GHS), Classification, Labelling and Packaging (CLP) notification, International Maritime Dangerous Goods (IMDG) Code, etc.

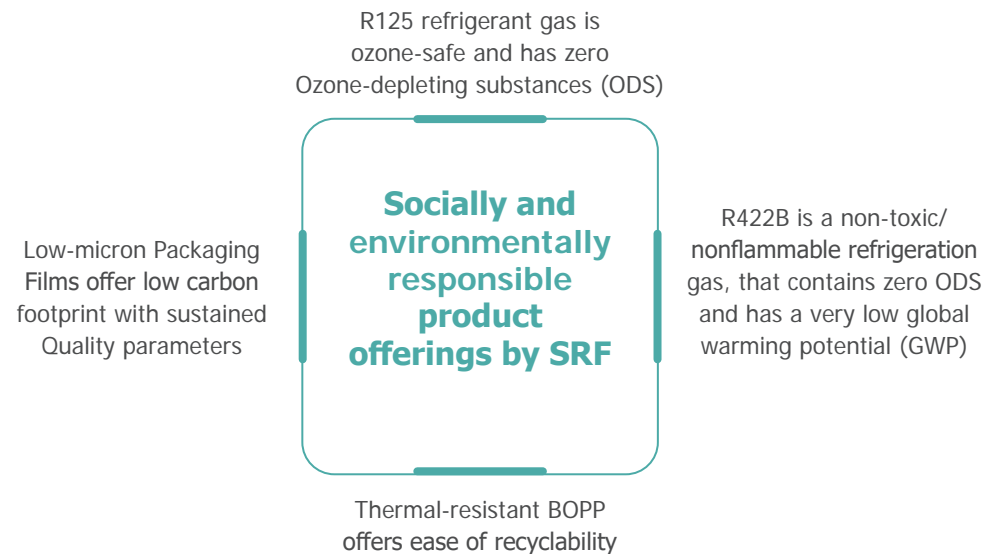
(Business Responsibility Report: Principle 9)



Sustainable Product Offerings

We believe that the key to building a sustainable business is to offer products that are sustainable, affordable and accessible to all. Toward this end, SRF has been consciously pursuing the development of sustainable products by investment in design thinking, disruptive innovation and new technology deployment.

Some of the key products are highlighted below:



(Business Responsibility Report: Principle 2)

Sustainable Supply Chain

SRF constantly works towards nurturing sustainable relationships with its supply chain partners by building trust, fair treatment, and transparency in all procurement-related decisions. We have made consistent effort to work with suppliers who are ethical and believe in sustainable development. We are also taking steps to improve the environmental footprint of our supply chain. As part of our ongoing drive to optimise natural resource management, we are now integrating recycled raw materials in our business operations.

We procure a wide range of raw materials and other products from various suppliers. We prefer sourcing locally from farmers and manufacturers wherever possible to support the local economy. We also encourage our contractors to hire workers from neighbouring towns and villages. Our chemical plant in Bhiwadi procures mustard husk from small farmers in Haryana and Rajasthan.

Our Company incorporates ESG aspects related to health and safety, human rights, labour laws, environment, etc. within the supplier agreements. We follow a Code of Conduct for assessing the ESG performance of our suppliers. A self-assessment exercise in accordance with the SA-8000 standard

is carried out for the suppliers and vendors. Additionally, SRF also undertakes the 'Supplier Quality System' assessment by evaluating them on various parameters like resource management, compliance with environmental requirements and certifications, customer complaint handling, storage etc. The Company follows a structured process which includes identification of gaps implementation of corrective action plans to address these in a timely manner. Based on the outcome of this assessment, rating is also provided to key suppliers. SRF conducts awareness meetings on procurement procedures and requirements with the suppliers on a regular basis to align them with the Company's expectations regarding sustainability and product quality.

(Business Responsibility Report: Principle 2)

In order to improve efficiency and optimisation levels across supply chain, SRF is in the process of automating its supply chain. All manual processes, such as supply chain mapping for raw material, have been digitised. The system generates production batches automatically, thereby eliminating manual intervention and improving the overall efficiency of the system. In some key segments, SRF also plans to integrate the customer and supplier portals to gain quick access to information on key supply chain metrics.



Business Responsibility Report

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

About SRF

SRF Limited is a chemical-based multi-business entity engaged in the manufacturing of industrial and specialty intermediates. The Company is widely recognised and well respected for its R&D capabilities globally, especially in the niche domain of chemicals. SRF is a market leader in most of its business segments in India and also commands a significant global presence in some of its businesses, with operations in four countries namely, India, Thailand and South Africa and Hungary. The Company has commercial interests in more than ninety countries and classifies its main businesses as Technical Textiles Business (TTB), Chemicals Business (CB), Packaging Films Business (PFB) and Other Businesses.

About this report

The Securities and Exchange Board of India (SEBI) as per its (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 1,000 listed entities based on market capitalisation at the BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of those 9 Principles. Following is the Business Responsibility Report of our Company for FY 2021 - '22, as per the format prescribed by SEBI.

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company** : L18101DL1970PLC005197
2. **Name of the Company** : SRF Limited
3. **Registered Address** : The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110 091
4. **Website** : www.srf.com
5. **Email id** : cs@srf.com
6. **Financial Year reported** : 2021-22
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)** : SRF Limited is a chemical-based multi-business entity engaged in the manufacturing of industrial and specialty intermediates. The Company classifies its businesses as Technical Textiles, Chemicals, Packaging Films and Other Businesses.

8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**
SRF's product portfolio can be broadly categorised into:
 - Technical Textiles
 - Chemicals
 - Packaging Films
 Technical Textiles include Tyre Cord Fabrics, Belting Fabrics and Industrial Yarn. Chemicals include Fluorochemicals and Specialty Chemicals. Packaging Films include Polyester Films viz. BOPET (Biaxially-oriented polyethylene terephthalate) and BOPP (Biaxially oriented polypropylene film)

9. **Total number of locations where business activity is undertaken by the Company**

i) Number of International Locations (Provide details of major 5)

Details of SRF's international businesses, through its overseas subsidiaries, are given below:

Sl. No.	Name of Subsidiary and Country	Major products/categories
1.	SRF Industries (Thailand) Ltd., Thailand	Packaging Films
2.	SRF Flexipak (South Africa)(Pty) Ltd.	Packaging Films
3.	SRF Industex Belting (Pty) Ltd.	Chemicals Business and Packaging Films (Trading)
4.	SRF Europe KFT	Packaging Films Business

ii) Number of National Locations

SRF has manufacturing plants in 10 locations across the country.

State	Location
Tamil Nadu	Manali
Tamil Nadu	Viralimalai
Tamil Nadu	Gummidipoondi
Gujarat	Dahej
Rajasthan	Jhiwana
Madhya Pradesh	SEZ Indore
Madhya Pradesh	Industrial Growth Centre Pithampur
Madhya Pradesh	Malanpur
Uttarakhand	Kashipur

SRF's regional offices are situated at Delhi, Mumbai, Chennai and Kolkata.

10. Markets served by the Company – Local/State/National/International

SRF serves both national and international markets spread across Asia, Africa, Europe, North America and South America.

Section B : Financial Details of the Company

1. **Paid-up Capital (₹)** : 296.42 Crore
2. **Total Turnover (₹)** : 9,953.44 Crore
3. **Total profit after taxes (₹)** : 1,507.01 Crore
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) calculated in accordance with Companies Act, 2013** : Total spending on CSR for FY 2021 - '22 is ₹ 18.68 Crore (2.008% of average profit after tax of the past 3 years calculated in accordance with Companies Act, 2013). This is detailed in the Annual Report of CSR Activities, ANNEXURE-II to the Board's Report.
5. **List of activities in which expenditure in 4 above has been incurred** : List of CSR activities are detailed in the Annual Report of CSR Activities, ANNEXURE-II to the Board's Report.

Section C : Other Details

1. Does the Company have any Subsidiary Company/Companies ?

Following are the wholly-owned subsidiary companies:-

- SRF Global BV, The Netherlands (Foreign wholly-owned Subsidiary)
- SRF Industries (Thailand) Ltd., Thailand (Foreign wholly-owned Subsidiary)
- SRF Flexipak (South Africa) (Pty) Ltd., South Africa (Foreign wholly-owned Subsidiary)
- SRF Industex Belting (Pty) Ltd., South Africa (Foreign wholly-owned Subsidiary)
- SRF Europe Kft, Hungary (Foreign wholly-owned Subsidiary)
- SRF Holiday Home Ltd. (Domestic wholly-owned Subsidiary)
- SRF Altech Limited (Domestic wholly-owned Subsidiary)

2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company ? If yes, then indicate the number of such subsidiary Company(s)

The subsidiary companies operate in different jurisdictions/geographies and are engaged in their own BR initiatives as applicable to them.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company ? If yes, then indicate the percentage of such entity/entities ? [Less than 30%, 30-60%, More than 60%]

No

Section D : BR Information

- Details of Director/Directors responsible for implementation of the BR policy/policies**
Implementation of BR policies is the responsibility of Mr. Kartik Bharat Ram, Joint Managing Director (DIN: 00008557)

2. Principle-wise (as per NVGs) BR policy/policies (Reply in Y/N)

Sl. No.	Questions	Principle 1 Ethics, transparency & sustainability, accountability	Principle 2 Sustainability in life-cycle of products	Principle 3 Employee well-being	Principle 4 Stakeholder engagement	Principle 5 Promotion of human rights	Principle 6 Environmental protection	Principle 7 Responsible public policy advocacy	Principle 8 Inclusive growth	Principle 9 Customer value
1.	Do you have a policy/ policies for	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No
2.	Has the policy been developed in consultation with relevant stakeholders?	Yes	NA	Yes	No	Yes	Yes	NA	Yes	NA
3.	Does the policy conform to any national / international standards? If yes, specify	NA	NA	Yes OHSAS 18001:2007 SA 8000 (Social Accountability)	No	NA	Yes ISO 14001 (Environment Management System) ISO 50001 (Energy Management System) The policies are in line with the best practices followed in the industry	NA	No	NA
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director	Yes, Board of Directors President - HR	NA	Yes, Board of Directors CEO, President - HR	Yes, Board of Directors MD and Director (CSR)	Yes, Board of Directors President - HR	Yes, Director – Environment, Health & Safety	NA	Yes, Board of Directors MD and Director (CSR)	NA
5.	Does the Company have a specified Committee of the Board / Director / Official to oversee the implementation of the policy?	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	NA

Sl. No.	Questions	Principle 1 Ethics, transparency & sustainability, accountability	Principle 2 Sustainability in life-cycle of products	Principle 3 Employee well-being	Principle 4 Stakeholder engagement	Principle 5 Promotion of human rights	Principle 6 Environmental protection	Principle 7 Responsible public policy advocacy	Principle 8 Inclusive growth	Principle 9 Customer value
6.	Indicate the link for the policy to be viewed online#	1. Code of Conduct for Directors & Senior Management Personnel 2. Whistle-blower Policy 3. Code of Conduct for Prevention of Insider Trading	NA	No	Yes 1. CSR Policy 2. Dividend Distribution Policy	No 1. Policy against Sexual Harassment 2. Whistle-blower Policy	No	NA	Yes 1. CSR Policy	NA
7.	Has the policy been communicated to the relevant internal and external stakeholders?	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	NA
8.	Does the Company have an in-house structure to implement the policy?	Yes	NA	Yes	Yes CSR Policy is implemented through SRF Foundation	Yes	Yes	NA	CSR Policy is implemented through SRF Foundation	NA
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	NA
10.	Has the Company carried out Independent audit/ evaluation of the working of this policy by an internal or external agency?	No	NA	Yes	No	Yes	Yes	NA	No	NA

CSR Policy : <https://www.srf.com/wp-content/uploads/2021/04/25032021-Final-SRF-Corporate-Social-Responsibility-policy.pdf>
Dividend Distribution Policy: <https://www.srf.com/wp-content/uploads/2020/11/Dividend-Distribution-Policy.pdf>
Code of Conduct for Directors & Sr. Management: <https://www.srf.com/wp-content/uploads/2020/11/Code-of-Conduct-for-Directors-and-Senior-Management-Personnel.pdf>
Code of Conduct for Prevention of Insider Trading: <https://www.srf.com/wp-content/uploads/2021/09/2021-05-05-Code-of-Conduct-to-Reg-Monitor-n-Report-Trading-v5SRF.pdf>
Whistle blower policy: <https://www.srf.com/wp-content/uploads/2022/02/SRF-Whistleblower-Policy.pdf>

2A If answer to S. No. 1 against any principle, is 'No', please explain why : (Tick up to 2 options)

Sl. No.	Question	Principle 2 : Sustainability in life-cycle of products	Principle 7 : Responsible public policy advocacy	Principle 9 : Customer value
1.	The Company has not understood the Principles			
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles			
3.	The Company does not have financial or manpower resources available for the task			
4.	It is planned to be done within next 6 months			
5.	It is planned to be done within the next 1 year			
6.	Any other reason (please specify)	SRF manufactures intermediate products which are largely supplied to other industries for manufacturing of the final product. Any sustainability initiative has to consider the final product as a whole for which the manufacturer of the final product is responsible.	SRF is a member of various industrial and trade bodies. We actively participate in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be a part of the broader policy development process by making representations to Chambers of Commerce, giving our comments on the proposed amendments in the relevant legislations and being a part of discussions with the representatives of the relevant authorities in open forums. Hence, we do not feel such a policy is necessary for us.	SRF is a business to business player and, as such, the customers are largely manufacturing companies which have stringent quality control measures in place and the quality of the product supplied by SRF is a part of the agreements with them. The product is manufactured as per the agreed parameters and specifications.

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Board of Directors discuss the BR performance annually. CSR Committee discusses the relevant areas pertaining to CSR annually.

Does the Company publish a BR or a Sustainability Report ? What is the hyperlink for viewing this report? How frequently it is published ?

The financial year 2021-22 is the sixth year for which the provisions of Business Responsibility Reporting of the Listing Regulations are applicable to the Company. The Company is publishing BRR report for financial year 2021-22 as part of its Annual Report. The Annual Report is available on the website of the Company at <https://www.srf.com/investors/reports-and-results/>.

Section E : Principle-wise performance

BRR Principle	Requirement	Section	Page No.
Principle 1 Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable	Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group / JVs / Suppliers / Contractors / NGOs / Others?	Codes and Policies	16
	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management?	Codes and Policies	17
Principle 2 Businesses should provide goods and services in a manner that is sustainable and safe	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	Social and Relationship Capital - Sustainable product offerings	68
	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?	Social and Relationship Capital - Sustainable supply chain	47, 68
	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Social and Relationship Capital - Sustainable supply chain	68
	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).	Manufactured Capital - Raw Materials Natural Capital - Waste Management	39

BRR Principle	Requirement	Section	Page No.
Principle 3 Businesses should respect and promote the well-being of all employees, including those in their value chains	Please indicate the total number of employees.	Human Capital - Human Resources Management	50
	Please indicate the total number of employees hired on temporary / contractual / casual basis.	Human Capital - Human Resources Management	50
	Please indicate the number of permanent women employees.	Human Capital - Human Resources Management	50
	Please indicate the number of permanent employees with disabilities.	Human Capital - Human Resources Management	50
	Do you have an employee association that is recognised by Management?	Human Capital - Human Resources Management	56
	What percentage of your permanent employees are Members of this recognised employee association?	Human Capital - Human Resources Management	56
	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Human Capital - Human Resources Management	53
	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	Human Capital – Health and Safety Training	53
Principle 4 Businesses should respect the interests of and be responsive to all its stakeholders	Has the Company mapped its internal and external stakeholders?	Stakeholder Engagement	18
	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.	Stakeholder Engagement	18
	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?	Stakeholder Engagement	18

BRR Principle	Requirement	Section	Page No.
Principle 5 Businesses should respect and promote human rights	Does the policy of the Company on human rights cover only the Company or extend to the Group/ JVs / Suppliers / Contractors / NGOs / Others?	Human Capital - Human Resources Management	53
	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Human Capital - Human Resources Management	53
Principle 6 Businesses should respect and make efforts to protect and restore the environment	Does the policy related to Principle 6 cover only the Company or extends to the Group / JVs / Suppliers / Contractors / NGOs / others?	Natural Capital	45
	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?	Natural Capital - Energy Management	45
	Does the Company identify and assess potential environmental risks?	Risk Management	24
	Does the Company have any project related to Clean Development Mechanism? Whether any environmental compliance report is filed?	Natural Capital - Emissions	45
	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.	Natural Capital - Energy Management	45-46
	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Natural Capital - Emissions Natural Capital - Waste Management	46
	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Natural Capital - Emissions Natural Capital - Waste Management	46

BRR Principle	Requirement	Section	Page No.
Principle 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	Is your Company a member of any trade and chamber or association?	Industry Associations	17
	Have you advocated/lobbied through above associations for the advancement or improvement of public good?	Industry Associations	
Principle 8 Businesses should promote inclusive growth and equitable development	Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8?	Social and Relationship Capital – Upliftment of local communities	61
	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?	Social and Relationship Capital – Upliftment of local communities	61
	Have you done any impact assessment of your initiative?	Social and Relationship Capital – Upliftment of local communities	61
	What is your Company's direct contribution to community development projects?	Social and Relationship Capital – Upliftment of local communities	60
	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Social and Relationship Capital – Upliftment of local communities	61
Principle 9 Businesses should engage with and provide value to their consumers in a responsible manner	What percentage of customer complaints/ consumer cases are pending as on the end of financial year?	Social and Relationship Capital - Partnering with customers in their growth	67
	Does the Company display product information on the product label, over and above what is mandated as per local laws?	Social and Relationship Capital – Product labelling	67
	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year?	Codes and Policies	17
	Did your Company carry out any consumer survey / consumer satisfaction trends?	Social and Relationship Capital - Partnering with customers in their growth	67

SRF Limited

(CIN: L18101DL1970PLC005197)

Regd. Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091

Tel. No: (+91-11) 49482870, (+91-124) 4354400, Fax: (+91-11) 49482900, (+91-124) 4354500

Email: cs@srf.com website: www.srf.com

Notice

Notice is hereby given that the **51st Annual General Meeting** of SRF Limited will be held on **Thursday, July 21, 2022 at 11.00 a.m.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility to transact the following businesses:-

Ordinary Business

- To receive, consider and adopt the standalone and consolidated audited financial statements of the Company for the financial year ended March 31, 2022 along with the Reports of the Auditors' and Board of Directors' thereon.
- To appoint a Director in place of Mr. Ashish Bharat Ram (DIN: 00671567), who retires by rotation and being eligible, offers himself for re-election.

Special Business

- Re-designation of Mr. Ashish Bharat Ram (DIN: 00671567) as Chairman and Managing Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, approval of the members of the Company be and is hereby accorded for the re-designation of Mr. Ashish Bharat Ram (DIN: 00671567), as Chairman and Managing Director

of the Company with effect from April 1, 2022. Other terms and conditions of his appointment passed by the shareholders in their meeting held on August 17, 2020 shall remain the same.

"RESOLVED FURTHER THAT the Board of Directors of the Company including any duly constituted Committee thereof be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- Re-designation of Mr. Kartik Bharat Ram (DIN: 00008557) as Joint Managing Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, approval of the members of the Company be and is hereby accorded for the re-designation of Mr. Kartik Bharat Ram (DIN: 00008557), as Joint Managing Director of the Company with effect from April 1, 2022. Other terms and conditions of his appointment passed by the shareholders in their meeting held on August 31, 2021 shall remain the same.

"RESOLVED FURTHER THAT the Board of Directors of the Company including any duly constituted Committee thereof be and is hereby authorized to do all acts and take all such steps

as may be necessary, proper or expedient to give effect to this resolution."

5. **Appointment of Mr. Vellayan Subbiah (DIN: 01138759) as a Non-Executive and Non-Independent Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company, based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company (the "Board"), Mr. Vellayan Subbiah (DIN: 01138759) who was appointed as an Additional Non-Executive Non-Independent Director of the Company with effect from May 10, 2022 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature to the office of Director, be and is hereby appointed as a Non-Executive Non-Independent Director, whose office shall be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds, matters, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **Ratification of Remuneration of Cost Auditors for financial year 2022-23**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013

and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023 as provided below, be and is hereby approved and ratified:

Name of Cost Auditor	Business	Remuneration payable
H Tara & Co.	Technical Textiles Business and Other Businesses	₹ 3.00 lakhs plus applicable taxes and reimbursement of actual out of pocket expenses
(Membership No. 17321)		
Sanjay Gupta & Associates	Chemicals Business and Packaging Films Business	₹ 5.25 lakhs plus applicable taxes and reimbursement of actual out of pocket expenses
(Membership No. 18672)		

7. **Appointment of Mr. Raj Kumar Jain (DIN:01741527) as an Independent Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company, based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company (the "Board"), Mr. Raj Kumar Jain (DIN:01741527), who was appointed as an Additional Non-Executive Independent Director of the Company with effect from May 09, 2022 and who has submitted a declaration

that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature to the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 years commencing from May 09, 2022 to May 08, 2027."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds, matters, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. **Offer or invitation to subscribe to Redeemable Non-Convertible Debentures of the Company on private placement**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71, 179 and any other applicable provisions of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board duly

authorized by it in this regard in accordance with the applicable provisions of the said Act) be and is hereby authorised to issue, offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, aggregating upto ₹ 1500 crores (Rupees fifteen hundred crores only), on private placement basis, and on such terms and conditions as the Board of Directors may, from time to time, determine and consider proper and most beneficial to the Company including as to the timing of issue of such Debentures, the consideration for the issue, the utilisation of the issue proceeds and all other matters connected with or incidental thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps including the power to sub-delegate the powers as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Rajat Lakhanpal

VP (Corporate Compliance) &

Company Secretary

Date : May 30, 2022

Place : Gurugram

Membership No. ACS 12725

SRF Limited

(CIN: L18101DL1970PLC005197)

Regd. Office: The Galleria, DLF Mayur Vihar,
Unit No. 236 & 237, 2nd Floor,
Mayur Place, Mayur Vihar Phase I Extn,
Delhi – 110091

NOTES

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details of material facts relating to the Special businesses to be transacted at this AGM, is annexed hereto.
2. Ministry of Corporate Affairs ("MCA"), vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 5, 2020 read together with Circular No. 02/2021 dated January 13, 2021 and 2/2022 dated May 5, 2022 (collectively referred to as 'MCA Circulars') and SEBI vide its circular dated May 12, 2020, January 15, 2021 and May 13, 2022 (collectively referred to as 'SEBI Circulars') has permitted to hold Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual means (OAVM).
3. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") read with the aforesaid MCA Circulars and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 51st AGM of the Company is being conducted through VC/OAVM. Deemed Venue for meeting will be Registered Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091.
4. National Securities Depository Limited (NSDL), will be providing facility for voting through remote e-voting, for participation in the 51st AGM through VC/OAVM facility and e-voting during the AGM.
5. Since, the meeting is being conducted through VC/OAVM, facility of appointing proxies to attend and vote at the meeting on behalf of the members of the Company is not available and hence the proxy form is not annexed to this notice. However, Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

Body Corporates who intends to authorize representatives to participate and vote on their behalf in the meeting to be held through VC/OAVM are requested to send, in advance, a duly

certified copy of the relevant board resolution/ letter of authority/power of attorney to the Scrutinizer by e-mail to arvindkohli@gmail.com and to the Company at cs@srf.com through its registered E-mail Address.

6. The attendance of members (members' login) attending the AGM through VC/ OAVM shall be reckoned for the purpose of Quorum under Section 103 of the Companies Act, 2013 and hence no attendance slip is attached to the notice.
7. Pursuant to the applicable provisions of the Companies Act 2013, unpaid/unclaimed dividends up to the financial year 2014-15, were transferred to the Investor Education & Protection Fund (IEPF). Besides the dividend so transferred, Company has also transferred the relative share scrips in respect of dividends which remained unpaid for a continuous period of seven years to the demat account of IEPF Authority, in accordance with the applicable provisions of Companies Act, 2013 and Rules made thereunder. It may be noted that once the unclaimed / unpaid dividend and/or shares are so transferred; the same can only be reclaimed by a shareholder from the IEPF Authority in accordance with the applicable provisions of the Companies Act 2013 and relevant Rules made thereunder by following the prescribed procedure in this regard. The IEPF Rules and the application Form (Form IEPF-5), as prescribed by the Ministry of Corporate Affairs, are available on the website of the Ministry of Corporate Affairs at www.iepf.gov.in. Details of the unpaid/ unclaimed dividend and shares transferred to IEPF from time to time also have been uploaded on the "Investors Section" of the website of the Company viz. www.srf.com.

Members, who have not encashed their dividend pertaining to financial year 2015-16 onwards, are advised to write at einward.ris@kfintech.com to M/s. Kfin Technologies Limited, Registrar of the Company immediately for claiming the same.

8. Members desiring any information/ clarification on the financial statements or any of the resolutions as detailed in the Notice are requested to write to the Company on or before July 14, 2022 through an E-mail to cs@srf.com, specifying his/

her name along with Demat account details. The same shall be replied by the Company suitably.

9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which directors are interested under Section 189 of the Companies Act, 2013, ESPS Certificate by Secretarial Auditor dated May 30, 2022 that SRF Limited Long term Share based Incentives Plan, 2018 has been implemented in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in accordance with the resolutions of the company passed through Postal Ballot on March 26, 2018. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. July 21, 2022. Members can inspect the same by sending an E-mail to cs@srf.com.
10. Pursuant to the MCA Circulars and SEBI Circulars, the Notice of the 51st AGM and the Annual Report for the financial year 2021-22 are being sent only by email to the Members whose name appear in the register of members/depositories as at closing hours of business on June 17, 2022. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.srf.com, websites of the Stock Exchanges, that is, BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of NSDL, the e-voting agency at www.evoting.nsdl.com. The physical copy of the Notice along with Annual Report shall be made available to the Member(s) who may request for the same in writing to the Company.
11. Those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 51st AGM and the Annual Report for the year 2021-22 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
 - a. For Members holding shares in physical form, please send scan copy of a signed

request letter mentioning your folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address at cs@srf.com or to Registrar & Transfer Agent email address at Einward.ris@kfintech.com

- b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

12. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The aforesaid communication is also available on the website of the Company.

13. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website. For Transmission cases shareholders are requested to submit Form ISR-5 as specified vide SEBI Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

14. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH.13, which is available on the website of the Company. Further, SEBI vide its Circular dated November 3, 2021 has mandated to furnish Form ISR-3 for opting out of Nomination by physical shareholders in case the shareholder do not wish to register for the Nomination.
15. To prevent fraudulent transactions, members are advised to exercise due diligence and notify to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Company's Registrar of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
16. In case of joint holders attending the meeting, the members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and the provisions of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with MCA Circulars and SEBI Circulars, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 51st AGM and facility for those Members participating in the 51st AGM to cast vote through e-Voting system during the 51st AGM.
- II. The remote e-Voting period will commence on **July 18, 2022 (9:00 am IST) and end on July 20, 2022 (5:00 pm IST)**. During this period, Members of the Company, holding shares

either in physical form or in dematerialized form, as on the cut-off date of **July 14, 2022**, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

Any person, who are other than individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the Cut-off date may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you could reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com. In case of Individual shareholders holding securities in Demat mode, who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as of the Cut-off date, are requested to follow the login method mentioned below in point (A) under e-Voting instructions.

The details of the process and manner for remote e-voting and voting during the AGM are explained here below:

Step 1 : Access to NSDL e-Voting system

Step 2 : Cast your vote electronically on NSDL e-Voting system

Details on Step 1 is mentioned below:

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, 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 in their Demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>A. NSDL IDeAS facility</p> <p>If you are already registered for NSDL IDeAS facility</p> <ol style="list-style-type: none"> Please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <p>If the user is not registered for IDeAS e-Services,</p> <ol style="list-style-type: none"> The option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Upon successful registration, please follow steps given at Point 1 to 5 above. <p>B. e-Voting website of NSDL</p> <ol style="list-style-type: none"> Visit e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode 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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting, shareholders other than Individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 123456 then user ID is 123456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM 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 system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to arvindkohl@gmail.com with a copy marked to evoting@nsdl.co.in and cs@srf.com

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Pallavi Mhatre at evoting@nsdl.co.in

4. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

(a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to evoting@nsdl.co.in or cs@srf.com.

(b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to evoting@nsdl.co.in or cs@srf.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the 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 the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@srf.com from July 15, 2022 (9:00 am IST) to July 18, 2022 (5:00 pm IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
6. The Members can join the AGM through VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation in the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

17. Any person who acquires shares of the Company and becomes member of the Company post-dispatch of Notice of AGM along with the Annual Report before the Cut-Off Date may obtain the login ID and password by sending a request to NSDL at evoting@nsdl.co.in or at Company's

email address at cs@srf.com. However if they are already registered with NSDL for remote e-Voting then they can use their existing user ID and password for casting their vote. If they forgot their password, they can reset their password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com

18. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the Cut-off Date.
19. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories, as on the cut-off date, only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
20. Mr. Arvind Kohli, (Membership No. FCS 4434, CP 2818) Practicing Company Secretary, Proprietor of M/s Arvind Kohli & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the entire e-voting process in a fair and transparent manner.
21. The results declared along with the report of the Scrutinizer shall be placed on the Company's website <https://www.srf.com> and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the concerned Stock Exchanges i.e. BSE and NSE.
22. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 & DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER LISTING REGULATIONS AND SECRETARIAL STANDARDS ON GENERAL MEETINGS

Item Nos. 2 & 3

Shareholders had appointed Mr. Ashish Bharat Ram (DIN: 00671567) as Managing Director of the Company for a period of 5 years with effect from May 23, 2020 in the Annual General Meeting held on August 17, 2020.

Consequent to resignation of Mr. Arun Bharat Ram as Chairman and his appointment as "Chariman Emeritus" wef April 1, 2022, the Board at its meeting held on March 28, 2022, had redesignated Mr Ashish Bharat Ram (DIN: 00671567) as Chairman and Managing Director on the same terms and conditions as approved by the members on August 17, 2020. His redesignation as Chairman and Managing Director is subject to Members' approval at this Annual General Meeting.

Details of Mr. Ashish Bharat Ram pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India are given below :

Mr Ashish Bharat Ram (53) has done his schooling from Doon School and graduation in Economics from the Hindu College, Delhi University with an emphasis on mathematics. He holds a Masters' degree in Business Administration on Corporate Strategy with an emphasis on finance and strategy from The Johnson Graduate School of Management, Cornell University, Ithaca, NY, USA and has a 27 years' working experience in senior positions including in the Company's international subsidiaries.

Mr Ashish Bharat Ram has no shareholding in the Company. He is a member of Stakeholders Relationship Committee and Committee of Directors - Financial Resources and Chairman of Risk Management Committee of the Company.

Directorships in other Public companies	Committee Membership
Kama Holdings Limited	<ul style="list-style-type: none"> Stakeholders Relationship Committee (Chairman) Committee of Directors - Financial Resources Nomination and Remuneration Committee Risk Management Committee (Chairman)
Havells India Limited	<ul style="list-style-type: none"> Enterprises Risk Management Committee
Shri Educare Limited	Nil
SRF Holiday Home Limited	Nil
SRF Altech Limited	Nil

None of the Directors or Key Managerial Personnel or their relatives except Mr. Ashish Bharat Ram himself and Mr. Kartik Bharat Ram, Joint Managing Director, being relative, are in any way concerned or interested, financially or otherwise, in the Resolution.

In view of the above, the Board of Directors recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

Item No 4

Shareholders had appointed Mr. Kartik Bharat Ram (DIN: 00008557) as Deputy Managing Director of the Company for a period of 5 years with effect from June 01, 2021 in the Annual General Meeting held on August 31, 2021.

Mr. Kartik Bharat Ram is responsible for Information Technology, Total Quality Management, Human Resources and Corporate Communications functions of the Company. Due to the increasing importance of these functions especially; Information Technology in the overall functioning of the Company due to the challenges imposed by the Pandemic and the increase in operations of the Company, the complexity of his role has increased.

Taking into account the above, the Board at its meeting held on March 28, 2022 had re-designated Mr. Kartik Bharat Ram as Joint Managing Director on the same terms and conditions as contained in the resolution passed by the members on August 31, 2021. His redesignation as Joint Managing Director is subject to Members' approval at this Annual General Meeting.

Details of Mr. Kartik Bharat Ram pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India are given below :

Mr. Kartik Bharat Ram (51) is a graduate from Santa Clara University, California and has earned an MBA from Cornell University, New York. He is involved in the creation and strengthening of a performance-based culture within the organization, through value-based leadership.

He is a fellow of the India Leadership Initiative, Aspen Institute India. In the past, he has served as the

President of the Indian Blind Sports Association and as the Chairman of the Confederation of Indian Industry (CII) Delhi State Council for the year 2007-08.

Mr Kartik Bharat Ram has no shareholding in the Company. He is a member of Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Committee of Directors – Financial Resources and Risk Management Committee of the Company.

Directorships in other Public companies	Committee Membership
Kama Holdings Limited	<ul style="list-style-type: none"> Stakeholders Relationship Committee Committee of Directors- Financial Resources Risk Management Committee
Shri Educare Limited	Nil
SRF Altech Limited	Nil

None of the Directors or Key Managerial Personnel or their relatives except Mr. Kartik Bharat Ram himself and Mr. Ashish Bharat Ram, Chairman and Managing Director, being relative, are in any way concerned or interested, financially or otherwise, in the Resolution.

In view the above, the Board of Directors recommend the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

Item No. 5

Mr. Vellayan Subbiah (DIN: 01138759) was appointed as Non-Executive Independent Director by members at the Annual General Meeting held on August 07, 2018 for the period of 5 years commencing from April 01, 2019 upto March 31, 2024. Your Directors are of the view that it would be to the benefit of the Company if his experience and wisdom would continue to be utilized by the Board and management on a long-term basis. Accordingly, a proposal to appoint him as a non-independent and non-executive director on the Board was discussed with him and he graciously agreed to step down as an independent director to be appointed as non-independent and non-executive director, liable to retire by rotation, w.e.f May 10, 2022.

Pursuant to Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), effective from January 1, 2022, a listed entity shall ensure that approval of members for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Mr. Vellayan Subbiah is not disqualified to be appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

The Company has received a notice in writing from a member under Section 160 of the Act, proposing the candidature of Mr. Vellayan Subbiah for the office of Director of the Company.

Details of Mr. Vellayan Subbiah pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India are given below:

Mr. Vellayan Subbiah (52) is a Bachelor of Technology in Civil Engineering from IIT, Madras, and holds a Master's Degree in Business Administration from the University of Michigan. He has over 26 years of work experience in consulting, technology manufacturing, and financial services.

Mr. Vellayan is the Chairman of Cholamandalam Investment & Finance Co. Ltd., a leading NBFCs in India, in the business of Vehicle Finance, Home Loans, SME Loans, etc. Mr. Vellayan worked with McKinsey & Company, USA for six years. His experience at McKinsey spanned across strategic consulting, mergers and acquisitions, and operations management. Vellayan also worked with 24/7 Customer Inc., Sundaram Fasteners, and Laserwords in different capacities. He was a recipient of the Extraordinary Entrepreneur of the year – TIECON 2014 Award.

Mr Vellayan Subbiah holds 67035 shares (0.02%) shares in the Company.

Directorships in other Public companies	Committee Membership
Cholamandalam Investment & Finance Co. Ltd	<ul style="list-style-type: none"> Corporate Social Responsibility Committee - Chairman IT Strategy Committee Nomination & Remuneration Committee Business Committee – Chairman
Tube Investments of India Limited	<ul style="list-style-type: none"> Shares & Debentures Committee Loans Committee
Ambadi Investments Ltd	Nil
Cholamandalam Financial Holdings Limited	Nil
CG Power and Industrial Solutions Limited	<ul style="list-style-type: none"> Nomination & Remuneration Committee Risk Management Committee - Chairman

None of the Directors or Key Managerial Personnel or their relatives except Mr. Vellayan Subbiah, are in any way concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the ordinary resolution set out in item no. 5 of the Notice for approval by the members.

Item No. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditors to conduct audit of the cost records of the Company for the financial year ending March 31, 2023 at the remuneration as provided in the resolution.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

None of the Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

Both the cost auditors had rendered satisfactory service during their last tenure, therefore the Board of Directors recommend Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

Item No. 7

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee had approved the appointment of Mr. Raj Kumar Jain (DIN:01741527), as an Additional Non-Executive Independent Director of the Company with effect from May 09, 2022 under Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (the "Act") and the Articles of Association of the Company.

In accordance with the provisions of Section 149 read with Schedule IV of the Act, appointment of Independent Director requires approval of the members of the Company. Further, pursuant to Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), effective from January 1, 2022, a listed entity shall ensure that the approval of members for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Mr Raj Kumar Jain is qualified to be appointed as a director in terms of Section 164 of the Act and has given his consent to act as a director. The Company has also received declaration from Mr Raj Kumar Jain that he meets the criteria of independence as prescribed under Section 149(6) of the Act and the Listing Regulations.

The Company has also received notice under Section 160 of the Act from a member proposing the candidature of Mr Raj Kumar Jain for the office of an Independent Director of the Company. Mr Raj Kumar Jain is independent of the management and possesses appropriate skills, experience and knowledge. Considering the extensive knowledge, experience as well as his educational background,

appointment of Mr Raj Kumar Jain as an Independent Director is in the interest of the Company.

Details of Mr Raj Kumar Jain pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India are given below :-

Mr. Raj Kumar Jain (63) founded Bounce Inc. in 2020. Bounce Inc. is a boutique management and operations consulting firm helping clients with India market entry, operating efficiency improvement and 'phygital' transformation initiatives.

Mr. Raj Kumar Jain has also served as Chief Executive Officer, Bennett, Coleman & Co. Ltd. (The Times Group), India's largest Media Company across Print, Television, Out of Home and Digital Business.

Mr. Raj Kumar Jain spearheaded entry of Walmart Inc. into India through a JV with Bharti Group. He led the business to establish a Pan India Wholesale Cash & Carry, Multi format Retail and Supply Chain Business.

Mr. Raj Kumar Jain was APAC Head, Marketing & Supply Chain at Whirlpool Corporation based in Shanghai, China. During his 10 years at Whirlpool, he also served as MD & CEO of Whirlpool India Ltd. and launched the Whirlpool Brand in India.

Mr. Raj Kumar Jain started his career at Hindustan Lever Ltd. His successful and distinctive career spanning over 16 years in Unilever India and U.K. included several key managerial positions in Sales, Marketing, and Supply Chain.

Mr. Raj Kumar Jain is Ex-Chairperson of the Board of American Chamber of Commerce & Industry (AMCHAM), served on the advisory board of HOPE Foundation. He also served on the Board of ASCI (The Advertising Standards Council of India).

The nomination and remuneration committee has considered his diverse skills, Consulting Experience, Engineering Background, Analytical Ability, Customer Centricity and vast global business experience, among others, as being some of the skills identified by the Board for an Independent Director. In view of the above, the nomination and remuneration committee and the Board are of the view that Mr. Raj Kumar Jain

possesses the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to appoint him as an independent director.

Mr Raj Kumar Jain (DIN:01741527) has no shareholding in the Company. He is a member of Audit Committee.

Directorship in other public Co.	Committee Membership
JK Agri Genetics Limited	• Nil

Copy of draft appointment letter of Mr Raj Kumar Jain setting out the terms and conditions of appointment shall be available on the website of the Company at www.srf.com

None of the Directors or Key Managerial Personnel or their relatives except Mr. Raj Kumar Jain, are in any way concerned or interested, financially or otherwise, in the Resolution.

The Board recommends the special resolution set out in item no. 7 of the Notice for approval by the members.

Item No. 8

As per the provisions of Section 42 of the Companies Act, 2013 read with Companies (Prospectus and allotment of Securities) Rules, 2014, private placement of redeemable, non-convertible debentures requires approval of shareholders by way of special resolution. However, the Company may pass a special resolution once in a year for all the offers or invitation for such debentures during the year.

In order to provide for resources for financing of capital expenditure requirements, re-financing of existing debt, general corporate purposes and such other purposes of the Company as are allowed by the applicable laws, the Company may be required

to offer or invite subscription for secured/ unsecured redeemable non-convertible debentures, in one or more series/tranches on private placement. Further, SEBI circular dated November 26,2018 require that 25% of the incremental borrowings by a large corporate (as defined in that circular) during a financial year shall be met by way of issuance of debt securities in accordance with applicable SEBI regulations.

Pricing of debentures is determined and impacted by general economic conditions and monetary policy, Company specific rating and outlook of the investor on the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

In view of the above, the Board of Directors recommend the Special Resolution set out at Item No. 8 of the Notice for approval of the members authorising the Board to issue redeemable, non-convertible Debentures by private placement for an aggregate amount not exceeding ₹ 1500 crores, in one or more tranches, during the period of one year from the date of this Annual General Meeting.

By Order of the Board of Directors

Rajat Lakhanpal
VP (Corporate Compliance) &
Company Secretary
Date : May 30, 2022
Place : Gurugram
Membership No. ACS 12725

SRF Limited

(CIN: L18101DL1970PLC005197)
Regd. Office: The Galleria, DLF Mayur Vihar,
Unit No. 236 & 237, 2nd Floor,
Mayur Place, Mayur Vihar Phase I Extn,
Delhi – 110091



Board's Report

Dear Members,

Your Directors are pleased to present the 51st Annual Report for the year ended March 31, 2022.

Financial Results

Particulars	(₹ in Crores)			
	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations	9,953.44	6,988.32	12,433.66	8,400.04
Other income	135.31	63.30	115.51	66.35
Total Income	10,088.75	7,051.62	12,549.17	8,466.39
Profit Before Interest, Depreciation & Tax (PBIDT)	2,668.72	1,804.78	3,218.71	2,199.68
Less: Interest & Finance Charge	94.45	111.21	115.93	133.95
Less: Depreciation and amortisation charge	419.23	383.60	517.23	453.08
Profit Before Tax (PBT) from continued operation	2,155.04	1,309.97	2,585.55	1,612.65
Less: Provision For Taxation including Deferred Tax Charge	648.03	384.91	696.63	414.40
Profit After Taxation (PAT) from continued operation	1,507.01	925.06	1,888.92	1,198.25
Profit Before Tax (PBT) from discontinued operations	-	-	-	(2.73)
Less: Provision For Taxation including Deferred Tax Charge	-	-	-	(2.42)
Profit After Taxation (PAT) from discontinued operations	-	-	-	(0.31)
Total Profit After Taxation (PAT) from continuing and discontinued operations	1,507.01	925.06	1,888.92	1,197.94
Add: Profit Brought Forward	4,551.58	3,828.76	5,113.66	4,117.69
Total	6,058.59	4,753.82	7,002.58	5,315.63

Appropriation

Particulars	₹ in Crores)			
	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Interim dividend on Equity Shares	211.89	141.31	211.89	141.31
Other comprehensive income arising from re-measurement of defined benefit obligation	4.75	(1.57)	4.92	(1.84)
Amount transferred to Debenture Redemption Reserve	-	62.50	-	62.50
Profit carried to Balance Sheet	5,841.96	4,551.58	6,785.77	5,113.66

Operations Review

Total revenue from operations of the Company on standalone basis increased by 42.43 per cent from ₹ 6988.32 Crores in 2020-21 to ₹ 9953.44 Crores in 2021-22. The profit before interest, depreciation and tax (PBITD) including 'other income' on a standalone basis increased from ₹ 1804.78 Crores in 2020-21 to ₹ 2668.72 Crores in 2021-22.

Profit before tax (PBT) from continuing operations on a standalone basis increased by 64.51 per cent from ₹ 1309.97 Crores in 2020-21 to ₹ 2155.04 Crores in 2021-22. After accounting for the provision for tax of ₹ 648.03 Crores, profit after tax (PAT) on continuing operations on a standalone basis increased by 62.91 per cent from ₹ 925.06 Crores in 2020-21 to ₹ 1507.01 Crores in 2021-22.

Total revenue from operations of the Company on consolidated basis increased by 48.01 per cent from ₹ 8400.04 Crores in 2020-21 to ₹ 12433.66 Crores in 2021-22. The profit before interest, depreciation and tax (PBITD) including 'other income' on a consolidated basis increased from ₹ 2199.68 Crores in 2020-21 to ₹ 3218.71 Crores in 2021-22.

Profit before tax (PBT) from continuing operations on a consolidated basis increased by 60.32 per cent from ₹ 1612.65 Crores in 2020-21 to ₹ 2585.55 Crores in 2021-22. After accounting for the provision for tax of ₹ 696.63 Crores, profit after tax (PAT) on continuing operations on a consolidated basis increased by 57.64 per cent from ₹ 1198.25 Crores in 2020-21 to ₹ 1888.92 Crores in 2021-22.

Transfer to Reserves

In view of the statutory provisions of the Companies Act, 2013 the Board of Directors has decided not to transfer any amount to the reserves consequent to declaration of dividend.

Share Capital

During the year, to commemorate 50th anniversary of the Company, the Board at its meeting held on October 15, 2021 allotted 23,69,80,820 Bonus Shares to the eligible shareholders of the Company in the proportion of 4 (four) new fully paid-up equity share of ₹ 10/- each for every 1 (one) existing fully paid-up equity share of ₹ 10/- each by capitalising a sum of ₹ 236,98,08,200 out of securities premium account of the Company.

Further, the Nomination and Remuneration Committee allotted 195,000 equity shares of ₹ 10/- each at par under Part B- SRF ESPS, 2018 of the SRF Long Term Share Incentive Plan, 2018 to eligible employees on November 1, 2021.

In view of the above, the paid up share capital of the Company increased from ₹ 59,24,52,050 divided into 5,92,45,205 equity shares of ₹ 10/- each to ₹ 296,42,10,250 divided into 29,64,21,025 equity shares of ₹ 10/- each.

Equity Dividend

During the year, your Company has paid two interim dividends of ₹ 12 per share (before bonus issue) and ₹ 4.75 per share (after bonus issue) amounting to ₹ 211.89 Crores. The Board of Directors of the Company has not recommended any final dividend.

Management Discussion and Analysis

A detailed section on the Management Discussion and Analysis forms part of the Annual Report. A review of the Businesses is also given in that section.

ESG Report

ESG Report for FY 2021 - '22 containing the Environment, Social and Governance Initiatives taken by the Company during the year forms part of the

Annual Report. As stipulated under the Securities and Exchange Board of India (LODR) Regulations, 2015 ("Listing Regulations"), the Business Responsibility Report has been prepared for 2021-22 and is presented along with the above ESG Report.

Subsidiaries, Joint Ventures and Associate companies

As on March 31, 2022, your Company had 7 (seven) wholly owned subsidiary companies out of which 2 (two) wholly owned subsidiary companies are registered in India and remaining 5 (five) are registered outside India. 3 (three) of these are direct wholly owned subsidiaries and rest 4 (four) are step-down wholly owned subsidiaries. The consolidated profit and loss account for the period ended March 31, 2022 includes the profit and loss account for these 7 (seven) wholly owned subsidiaries for the Financial Year ended March 31, 2022.

These subsidiaries are:-

1. SRF Global B.V. is a wholly owned subsidiary of the Company incorporated in the Netherlands. This entity is an SPV formed for the purpose of holding investments and mobilizing funds for the 4 (four) step-down subsidiaries of the Company.
2. SRF Industries (Thailand) Ltd. (a wholly owned subsidiary of SRF Global BV) is incorporated in Thailand engaged in the manufacture and distribution of packaging films.
3. SRF Flexipak (South Africa) (Pty) Ltd. (a wholly owned subsidiary of SRF Global BV) is incorporated in South Africa engaged in manufacture and distribution of packaging films.
4. SRF Industex Belting (Pty) Ltd. (a wholly owned subsidiary of SRF Global BV) is incorporated in South Africa presently in the business of trading in refrigerant gases and packaging films in South Africa and other neighbouring countries.
5. SRF Europe Kft (a wholly owned subsidiary of SRF Global BV) is incorporated in Hungary to undertake the manufacture and trading of packaging films in Hungary.
6. SRF Holiday Home Ltd. is a wholly owned subsidiary of the Company incorporated in India.

This company is engaged in the business of acquisition and renting of real estate properties.

7. SRF Altech Limited is a wholly owned subsidiary of the Company incorporated in India during the year. It shall engage in the business of manufacture of Aluminum foil.

The consolidated financial statements of the Company prepared in compliance with applicable Accounting Standards and other applicable laws including all the above subsidiaries duly audited by the statutory auditors are presented in the Annual Report.

No subsidiaries were divested during the year. No company has become/ceased to be a joint venture or associate during the year. A report on performance and financial position of each of the subsidiaries and associates is presented in a separate section in this Annual Report. Please refer (AOC-1) annexed to the financial statements in the Annual Report at page no. 371. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link:

<https://www.srf.com/wp-content/uploads/2021/04/2019-02-04-SRF-Limited-Policy-on-Material-Subsidiary-Companies.pdf>

The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and of respective subsidiary companies. Further, the annual accounts of the subsidiaries are also available on the website of the Company viz. www.srf.com

Directors & Key Managerial Personnel

During the year Dr. Meenakshi Gopinath, Director CSR, retired as Director in the Annual General Meeting held on August 31, 2021.

Mr. Sanjay Chatrath, President and CEO, Technical Textile Business retired on October 31, 2021, Your Board places on record its sincere appreciation for the contribution made by him during his years of service. Mr. Prashant Yadav, President and CEO (FCB) was also given the additional responsibility of Technical

Textile Business (TTB) w.e.f November 01, 2021 and redesignated as President and CEO (FCB and TTB)

Mr. Arun Bharat Ram decided to step down as Executive Chairman from the close of the business hours on March 31, 2022 and was appointed as "Chairman Emeritus" for a term of five years with effect from April 1, 2022.

The Board in its meeting held on March 28, 2022, had upon recommendations of Nomination and Remuneration Committee redesignated Mr. Ashish Bharat Ram as Chairman and Managing Director and Mr. Kartik Bharat Ram as Joint Managing Director of the Company with effect from April 1, 2022 and has recommended the same to the shareholders of the Company for their approval in this Annual General Meeting.

Mr. Ashish Bharat Ram, Chairman and Managing Director, is retiring by rotation and being eligible, offers himself for re-appointment.

Mr. Vellayan Subbiah was re-appointed as Non-Executive Independent Director by members at the Annual General Meeting held on August 07, 2018 for the period of 5 years commencing from April 01, 2019 upto March 31, 2024. The Board is of the view that it would be to the benefit of the Company if his experience and wisdom would continue to be utilized by the Board and management on a long-term basis. Accordingly, a proposal to appoint him as a non-independent and non-executive director was discussed with him and he graciously agreed to step down as an independent director and resigned from the closing of Business hours on May 9, 2022 and was appointed as Additional non-independent and non-executive director, liable to retire by rotation, w.e.f May 10, 2022. The Board recommends his appointment as Non-executive non-Independent Director, liable to retire by rotation, to the shareholders.

Upon recommendations of Nomination and Remuneration Committee, the Board appointed Mr. Raj Kumar Jain, as Additional Independent Director w.e.f May 9, 2022 and has recommended his appointment as Independent Director to the shareholders for a term of 5 years commencing from May 09, 2022 to May 08, 2027.

Brief resume of the Directors who are proposed to be appointed/re-appointed is furnished in the explanatory statement to the notice of the ensuing Annual General Meeting.

All the Independent Director(s) have submitted the declaration of meeting the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and rules applicable thereunder and as per the SEBI Regulations. They are also independent of the management.

The Board confirms that independent directors appointed during the year possess the desired integrity, expertise and experience. The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. Some of the Directors are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA and the remaining have cleared the Online Proficiency Test as prescribed under Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended.

In accordance with the requirements of the Companies Act and the Listing Regulations, the Company has formulated a Nomination, Appointment and Remuneration Policy. A copy of the Policy is enclosed as Annexure I and on the website of the Company at the link: <https://www.srf.com/wp-content/uploads/2022/05/2022-05-09-Rev-NRC-Policy-V6-F.pdf>

In accordance with the aforesaid Policy, the Nomination and Remuneration Committee evaluates the performance of the Executive Directors, Non-Independent non-executive Director and Independent Directors based on the criteria more particularly described in the enclosed Nomination, Appointment and Remuneration policy. Board evaluates, its own performance and the performance of its Committees on the criteria more particularly described in the said policy.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business

model of the Company and related matters are put up on the website of the Company at the link https://www.srf.com/wp-content/uploads/2022/04/Familiarisation-programme_2022.pdf

During the year 2021-22, Seven meetings of the Board of Directors were held. For further details, please refer to report on Corporate Governance on page no. 145 of this Annual Report.

Directors' Responsibility Statement

Pursuant to the requirements of Section 134(3)(c) of the Companies Act, 2013, it is hereby confirmed that :

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively ; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Contracts and Arrangements with Related Parties

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arms' length basis and in accordance with the

Transfer Pricing Policy/basis approved by the Audit Committee and/or in accordance with the Omnibus approval of the Audit Committee. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Policy on Materiality of Related Party Transactions. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 ('the Act') in Form No. AOC-2 is not applicable to the Company for FY 2021 - '22 and hence the same is not provided.

Your Directors draw attention of the members to Note 32 to the notes to accounts forming part of the financial statements which sets out related party transaction disclosures.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities provided alongwith the purpose for which the loan or guarantee or security was proposed to be utilised by the recipient are provided in the standalone financial statement (Please refer to Note 41(d) of Additional Disclosures forming part of the standalone financial statement).

Corporate Social Responsibility (CSR)

As per the requirements of the Companies Act, 2013, the Company has a Corporate Social Responsibility Committee comprising of Mr. Kartik Bharat Ram, Joint Managing Director (Chairman of the Committee), Mr. Lakshman Lakshminarayan, Independent Director, and Mr. Yash Gupta, Independent Director as other members. Mr. Arun Bharat Ram, was a member of this committee till March 31, 2022.

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the projects to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link <https://www.srf.com/wp-content/uploads/2021/04/25032021-Final-SRF-Corporate-Social-Responsibility-policy.pdf>

The Company would also undertake other need-based initiatives in compliance with Schedule VII to the Act.

As per the requirements of section 135 (5) of the Companies Act 2013, the CSR Obligation for FY 2021 - '22 was ₹ 18.61 Crores. The Board upon recommendations of CSR Committee approved the Annual budget of ₹ 18.68 Crores towards CSR expenditure which was duly spent during the year. Moreover, an amount of ₹ 2.70 Crores earmarked for ongoing projects which commenced during FY 2020 - '21 was also spent during the year.

The CSR Obligation for FY 2020 - '21 was ₹ 13.25 lakhs out of which ₹ 12.88 lakhs was spent during that year and a credit of ₹ 37 lakhs was taken on account of excess amount spent during FY 2019-20 which was allowed as per the Companies (Corporate Social Responsibility) Rules, 2014. However MCA through its circular dated 25th August 2021 clarified that the Companies cannot set off excess CSR amount spent prior to FY 2020 - '21. Therefore, the CSR spend for FY 2020 - '21 was lesser to the extent of ₹ 37 lacs.

As per the provisions of the Companies Act, 2013, any CSR obligation which was not discharged during the financial year need to be transferred to one of the specified funds prescribed under Schedule VII to the Companies Act, 2013 on or before 30th September, 2021. In compliance with MCA circular dated 25th August, 2021, an amount of ₹ 37 lacs was transferred to Clean Ganga Fund, which is a fund specified under Schedule VII to the Companies Act, 2013, on 28th September, 2021.

Annual Report on CSR activities is annexed herewith as Annexure II.

Risk Management

Enterprise Risk Management is a risk based approach to manage an enterprise, identifying events that may affect the entity and manage risks to provide reasonable assurance regarding achievement of entity's objective.

The risks identified by the Company broadly fall into the following categories viz. strategic risks, operational risks, regulatory risks, financial and reporting risks, and IT & Cyber risks. The risk management process

consists of risk identification, risk assessment, risk prioritization, risk treatment or mitigation, risk monitoring and documenting the new risks.

Your Board has laid down a risk management framework and policy to address the above risks. The objective of the policy is to identify existing & emerging challenges that may adversely affect the company and manage risks in order to provide reasonable assurance to the various stakeholders. In the opinion of your Board, none of the risks which have been identified may threaten the existence of the Company.

The Board has constituted Risk Management Committee consisting of Mr. Ashish Bharat Ram as Chairman, Mr. Kartik Bharat Ram and Ms. Bharti Gupta Ramola as members of the Committee.

Internal Financial Controls

The Company believes that Internal Control is a necessary concomitant of the principle of Governance. It remains committed to ensuring an effective Internal Control environment that provides assurance to the Board of Directors, Audit Committee and the management that there is a structured system for:

- close and active supervision by the Audit Committee
- business planning and review of goals achieved
- evaluating & managing risks
- policies and procedures adopted for ensuring orderly Financial Reporting
- timely preparation of reliable Financial Information
- accuracy and completeness of the Accounting Records
- ensuring legal and regulatory compliance
- protecting company's assets
- prevention and detection of fraud and error
- validation of IT Security Controls
- Entity Level Controls

Interrelated control systems, covering all financial and operating functions, assure fulfilment of these objectives.

Significant features of these control systems include:

- the planning system that ensures drawing up of challenging goals and formulation of detailed

strategies and action plans for achieving these goals.

- the risk assessment system that accounts for all likely threats to the achievement of the plans, and draws up contingency plans to mitigate them.
- the review systems track the progress of the plan and ensure that timely remedial measures are taken, to minimise deviations from the plan.

The Company uses Enterprise Resource Planning (ERP) supported by in-built controls that ensures reliable and timely financial reporting. Well-established & robust internal audit processes, both at the Corporate and the Business levels, continuously monitor the adequacy and effectiveness of the Internal Controls and status of compliance with operating systems, internal policies and regulatory requirements. All Internal Audit findings and control systems are periodically reviewed by the Audit Committee of the Board of Directors, which provides strategic guidance on Internal Controls.

The Company also has a robust & comprehensive framework of Control Self-Assessment (CSA) which continuously verifies compliance with laid down policies & procedures and help plug control gaps, CSA comprises Automated and Manual Controls. CSA Assurance Testing completes the control compliance loop. In addition to this, Compliance Manager (CM) a facilitating tool sends pre-emptive alert to meet specific calendared regulatory deadlines in the company.

Listing of Equity Shares

SRF's equity shares are listed at the BSE Ltd. and the National Stock Exchange of India Ltd.

SRF Limited Long term Share based Incentives Plan, 2018

During the year, 195,000 equity shares were allotted under Part B- SRF ESPS, 2018 of the SRF Long Term Share Incentive Plan, 2018 to eligible employees. There has been no change in the said Plan which was approved by the shareholders through postal ballot on February 26, 2018. The said Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The disclosures prescribed under the said Regulations are given below:

- In terms of the "Guidance Note on accounting for employee share based payments" issued by ICAI and Ind AS 102, note no. 34 on Employee

Share Based Payments forms part of the notes to standalone annual accounts appearing on page no. 242 of the Annual Report 2021-22. Note No. 1.B.17 forming part of the Accounting Policies which refers to this is also appearing on page no. 195 of the Annual Report 2021-22. The same are also reproduced in the "Investors Section" of the website (www.srf.com). The weblink for the same is <https://www.srf.com/investors/corporate-governance/>

- During financial year 2018-19 and 2021-22 shares under Part B- SRF ESPS, 2018 of the SRF Long Term Share Incentive Plan, 2018 were issued directly to the eligible employees as decided by the Board/Nomination and Remuneration Committee of the Company. Basic and diluted EPS for 2021-22 was ₹ 50.86 per Share.
- Other Disclosures mandated by the said circular are given in Annexure III.

Certificate from the Secretarial Auditors of the Company dated May 30, 2022 that SRF Limited Employees Long term Share Based Incentive Plan, 2018 has been implemented in accordance with these regulations and in accordance with the resolution of the company shall be placed in the forthcoming Annual general meeting.

Dividend Distribution Policy

In compliance with the Listing Regulations, your Board had formulated a Dividend Distribution Policy. A copy of the said policy is available on the website of the Company at <https://www.srf.com/wp-content/uploads/2020/11/Dividend-Distribution-Policy.pdf>

Corporate Governance

Certificate of the auditors of your Company regarding compliance of the conditions of corporate governance as stipulated in regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the report as Annexure IV.

In compliance with the requirements of the regulation 17(8) of the aforesaid regulations, a certificate from Chairman and Managing Director and President & CFO was placed before the Board.

All Board members and Corporate Leadership Team (CLT) have affirmed compliance with the Code of

Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by the Chairman and Managing Director is enclosed as a part of the Corporate Governance Report. A copy of the Code is also placed at the website of the Company at <https://www.srf.com/wp-content/uploads/2020/11/Code-of-Conduct-for-Directors-and-Senior-Management-Personnel.pdf>

Consolidated Financial Statement

The consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant amendments issued thereafter of the Act.

Audit Committee

As on date, the Audit Committee comprises of Independent Directors namely, Mr. Lakshman Lakshminarayan (Chairman of the Committee), Ms. Bharti Gupta Ramola and Mr. Raj Kumar Jain as other members. All the recommendations made by the Audit Committee were accepted by the Board.

Accounts and Audit

M/s BSR & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) were appointed as Statutory Auditors for 5 years in 47th annual general meeting to hold office from the conclusion of 47th Annual General Meeting until the conclusion of 52nd annual general meeting.

The observations of the auditors are explained wherever necessary in appropriate notes to the accounts. The Auditors Report does not contain any qualification, reservation, adverse remark or disclaimer.

Vigil Mechanism

In compliance with the provisions of the Companies Act, 2013 and Listing Regulations, the company has established a vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct.

The Vigil Mechanism of the Company consists of Code of Conduct for employees, Policy against sexual harassment, Whistleblower Policy, Code of Conduct to Regulate, Monitor and Report Trading by Insiders and

Code of Conduct for Directors and Sr. Management Personnel. These taken together constitute the vigil mechanism through which Directors, employees and other stakeholders can voice their concerns. The Whistle blower Policy, Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Conduct for Directors and Sr. Management Personnel can be accessed on the Company's website at the link: <https://www.srf.com/investors/corporate-governance/>

Cost Audit

Pursuant to various circulars issued by Ministry of Corporate Affairs, the Company is required to maintain cost records for all the products being manufactured by it and get the same audited by a cost auditor.

M/s. H. Tara & Co., Cost Accountants, was appointed to conduct cost audit of the accounts maintained by the Company for the financial year 2022-23 in respect of all the relevant product groups of Technical Textiles Business and other Businesses of the Company.

M/s. Sanjay Gupta & Associates, Cost Accountant, was appointed to conduct cost audit of the accounts maintained by the Company for the financial year 2022-23 in respect of all the relevant product groups of Chemicals Business and Packaging Films Business of the Company.

M/s. Sanjay Gupta & Associates, Cost Accountant was nominated as the Company's Lead Cost Auditor.

The remuneration of the cost auditors for financial year 2022-23 is subject to ratification by the shareholders. Accordingly a suitable item has been included in the notice of the ensuing annual general meeting.

The Cost Audit reports for audit of the said products for the financial year 2020-21, conducted by M/s. H. Tara, Cost Accountants (M. No. 17321) and M/s Sanjay Gupta & Associates, Cost Accountants (M. No. 18672), have been filed with the Ministry of Corporate Affairs on August 24, 2021. The due date for filing was August 27, 2021.

Secretarial Auditor

The Board has appointed M/s Sanjay Grover & Associates, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2021-22. The Secretarial Audit Report for the financial year ended

March 31, 2022 is annexed herewith as Annexure V to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, Secretarial Compliance Report dated May 11, 2022 issued as per SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 was given by M/s Sanjay Grover & Associates, Practising Company Secretary which was submitted to Stock Exchanges.

Reporting of Fraud

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees, to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

Personnel

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under section 197 (12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said Annexure is open for inspection at the registered office of the Company during business hours on working days upto the date of ensuing Annual general meeting. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary at cs@srf.com

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure VI.

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

The details as required under the Companies (Accounts) Rules, 2014 are given as Annexure VII to the Directors' report.

Annual Return

The Annual Return (MGT-7) of the Company as on 31.03.2022 is available on the following web link: <https://www.srf.com/investors/corporate-governance/>

Industrial Relations

The Company continued to generally maintain harmonious and cordial relations with its workers in all its businesses.

Secretarial Standards

Applicable Secretarial Standards, i.e. SS-1 SS-2 and SS-3, relating to 'Meeting of the Board of Directors' 'General Meetings' and 'Dividend' respectively, have been duly followed by the Company.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there was no transactions on these items during the year under review :-

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Neither the Chairman, Managing/Deputy Managing Director nor Whole-time Director received any remuneration or commission from any of the Company's subsidiaries.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). During the year, three complaints were received which were duly resolved.

Acknowledgements

Your Directors acknowledge with gratitude the co-operation and assistance received from various agencies of the Central Government and the Governments of Madhya Pradesh, Rajasthan, Tamil Nadu, Gujarat and Uttarakhand, financial institutions and banks. Your Directors thank the shareholders for their continued support. Your Directors also place on record their appreciation of the contribution made by employees at all levels.

For and on Behalf of the Board

Ashish Bharat Ram

Date: May 30, 2022

Place: New Delhi

Chairman & Managing Director
(DIN – 00671567)

Annexure - I to Board's Report

Nomination, Appointment and Remuneration Policy

A. Introduction

This Policy on Nomination, Appointment and Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and Other Employees has been formulated and amended from time to time in accordance with the provisions of Section 178 of the Companies Act, 2013 (the Act) and the Listing Regulations by the Nomination and Remuneration Committee of the Directors of the Company.

B. Definitions

Directors :	Directors (other than Managing Director(s) and Whole-time Director(s)) appointed under the provisions of the Companies Act, 2013 and rules made thereunder.
Key Managerial Personnel	Managing Director(s), Whole-time Director(s), Chief Executive Officers of the businesses of the Company reporting to the Managing Director, Chief Financial Officer and Company Secretary.
Senior Management Personnel	Members of the Corporate Leadership Team of the Company (excluding Executive Directors), Chief Financial Officer and Company Secretary
Other Employees	Employees other than Key Managerial Personnel and Senior Management Personnel.

The terms "He" or "his" as mentioned in this Policy includes any gender.

C. Terms of Reference

The Board of Directors of the Company at its meeting held on 9th May, 2014 reconstituted the existing Remuneration Committee of Directors as "Nomination and Remuneration Committee" of Directors (the Committee). The terms of reference of the Committee are as follows :-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Formulation of policies for remuneration to Directors, Key Managerial Personnel, Sr. Management Personnel and Other Employees.
- Identification and recommendation to Board of persons who are qualified to become Directors, Key Managerial Personnel and Sr. Management Personnel in accordance with the criteria laid down.

- Recommend to the Board on appointment and removal of Directors, Key Managerial Personnel and Sr. Management Personnel.
- Evaluation of the performance of Directors (other than independent directors).
- Evaluation of the performance of independent directors and make recommendations to Board.
- To oversee succession planning for Board of Directors, Key Managerial Personnel and Senior Management Personnel.
- Formulation of criteria for making payment to non-executive Directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

D. Criteria for recommending a person to become Director

The Committee shall take into consideration the following criteria of qualification, positive attributes and independence for recommending to the Board for appointment of a Director:-

1. Qualification & Experience

The incumbent shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales & marketing, operations, research, corporate governance, education, community service or other disciplines.

2. Attributes/Qualities

The incumbent Director shall possess one or more of the following attributes/qualities :-

Industry knowledge/experience	Technical skills/experience	Behavioural Competencies
a) Consulting Experience	a) Accounting and finance	a) Integrity and ethical standards
b) Manufacturing Industry experience	b) Industrial Engineers	b) Mentoring abilities
c) Understanding of relevant laws, rules, regulation and policy	c) Talent Management	c) Critical thinking
d) Analyzing Business Problems	d) Compliance and risk	d) Strategic Planning
e) Adapting to changing Business Conditions	e) Devising plans for New Business	e) Entrepreneurial & Commercial Acumen
f) Recommending cost-cutting measures	f) Proposing solutions to Business Problems	f) Analytical Decision Making
g) Recommending Process Improvements	g) Innovation	g) Customer Centricity
		h) Leading Change
		i) Leading People

- In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the provisions of the Act, Listing Regulations and other applicable laws and regulations.
- The incumbent should not be disqualified for appointment as a Director pursuant to the provisions of the Act or other applicable laws & regulations.

The Committee will recommend to the Board appropriate fees / commission to the non-executive directors for its approval. The Committee / Board shall inter alia, consider level of remuneration /commission payable by other comparable companies, time devoted, experience, providing guidance on strategic matters and such other factors as it may deem fit.

F. Evaluation

Performance evaluation of Executive Directors, Non-executive & Non Independent Directors, Independent Directors, Board as a whole, Board Committees and their members and Chairman shall be carried out in following manner:

- Performance evaluation of all individual Directors:** It shall be done annually by the Nomination and Remuneration Committee (NRC) as per the structure of performance evaluation (as per Annexure I & II & III). The outcome of the evaluation shall be shared by the Chairman of NRC with the Board.

E. Directors' Remuneration

The Committee will approve the fixed remuneration to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. Commission to the Executive Directors, if any, will be recommended by the Committee to the Board for approval. The Committee/Board shall periodically review the remuneration of such Directors in relation to other comparable companies and other factors like performance of the Company etc. as deemed appropriate.

b) Performance evaluation of Independent Directors: It shall be done, annually and at the time of their re-appointment, by NRC for recommending to the Board whether to extend or continue the term of appointment of independent directors. Based upon the recommendations of the NRC, the Board of Directors shall decide to continue their appointment or consider them for reappointment.

The performance evaluation of independent directors, in addition to feedback received from NRC, shall be done by the entire Board of Directors, excluding the director being evaluated as per the structure of performance evaluation (as per Annexure II).

c) Performance evaluation of Non-Executive & Non-Independent Directors: It shall be done annually by NRC for recommending to the Board whether to extend or continue the term of appointment of non-executive & non-independent Directors.

The performance evaluation of **Non-Executive & Non-Independent** directors, in addition to feedback received from NRC, shall be done by the entire Board of Directors, excluding the director being evaluated as per the structure of performance evaluation (as per Annexure III).

d) Performance evaluation of the Board of Directors: Board shall evaluate its own performance on criteria as specified in annexure IV.

e) Performance evaluation of Board Committees: The Board shall review the performance of all its committees annually on criteria for evaluation as specified in annexure V.

f) Performance evaluation of Chairman: The Board shall review the performance of Chairman annually on criteria for evaluation as specified in annexure VI.

g) Performance evaluation by independent directors at their separate meeting: The Independent Directors in their separate meeting shall review performance of non-independent directors, Board as a whole, the Chairman of the company, taking into account the views of executive directors and non-executive directors.

The Chairman of meeting of Independent Directors or one selected by independent Directors shall share outcome of their abovementioned evaluations with the Chairman of the Board.

Chairman of the Board shall be responsible for giving feedback as and when required as a result of performance evaluation above and guide on preparation of a suitable action plan, if required.

G. Board Diversity

The Committee will review from time to time Board diversity to bring in professional experience in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy, education, community service and human resource management in the Company. The Committee will keep succession planning and Board diversity in mind in recommending any new name of Director for appointment to the Board.

H. Eligibility criteria & Remuneration of Key Managerial Personnel, Senior Management Personnel and Other Employees

The eligibility criteria for appointment of Key Managerial Personnel, Senior Management Personnel and Other Employees shall be in accordance with the job description of the relevant position.

In particular, the position of Key Managerial Personnel should be filled by senior personnel having relevant qualifications and experience.

Remuneration Structure

i) Key Managerial Personnel and Senior Management Personnel,

The remuneration structure for Key Managerial Personnel and Senior Management Personnel shall be decided taking into account factors such as level of experience, qualification, performance and suitability which shall be reasonable and sufficient to attract, retain and motivate them.

Nomination and Remuneration Committee shall recommend to the Board the remuneration/remuneration structure for senior management personnel every year.

ii) Other Employees

The remuneration for the Other Employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions and his/her last drawn remuneration in the previous organization.

The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

The annual increments to the remuneration paid to the employees shall be determined based on the appraisal carried out by the respective

reporting managers/HODs of various departments as ratified by Business Leadership Teams/Corporate Leadership Team (as applicable). Decision on Annual Increments shall be made on the basis of this appraisal. The remuneration would be benchmarked intermittently with a basket of identified companies comparable to SRF.

At the same time, the increments are largely fixed for Bands. In case, a specific correction is to be brought about for a particular employee or group of employees, rationalization on a one time basis may also be carried out.

The remuneration may consist of fixed and incentive pay/retention bonus reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The aforesaid Key Managerial Personnel, Senior Management Personnel and Other Employees may also be provided any facility, perquisites, commission, accommodation, interest free loans or loans at concessional rate in accordance with the policies framed for them or any category thereof.

However loan to the Directors who are KMPs shall be governed by such approvals as may be required by the Companies Act, 2013.

Annexure - I

Performance Evaluation of Executive Directors

Name of Director :

Type of Directorship : Executive Director

Assessment of the following Roles/Attributes as performed by or observed in the Director whose performance is under evaluation:

Sl. No.	Particulars/Role/Attribute	(Yes/No)
1.	Attendance and participation in meetings of the Board of Directors and of the Board Committees	
2.	Advises Board on implementation of good corporate governance practices	
3.	Exercised his/her duties with due & reasonable care, skill and diligence	
4.	Acted in good faith and in the best interests of the Company towards promotion of interest of the stakeholders	
5.	Conduct in compliance with the policies of the Company viz. Code of Conduct, Code of Conduct for Prevention of Insider Trading, Whistle blower Policy etc.	
6.	Ensures compliance with applicable laws/ statutory obligations in the functioning of the Company	
7.	Enhances Brand Equity	
8.	Encourages new initiatives/expansion/innovation	
9.	Encourages adherence to the principles of Quality, Cost, Delivery and safety (QCDS)	
10.	Resolves Investor complaints	
11.	Ensures talent retention	
12.	Encourages awards & recognitions	
	Overall Performance (Remarks)	

Name of Director :

Signature :

Date & Place :

Annexure - II

Performance Evaluation of Independent Directors

Name of Director :

Type of Directorship : Independent Director

Assessment of the following Roles/Attributes as performed by or observed in the Director whose performance is under evaluation:

Sl. No.	Particulars/Role/Attribute	(Yes/No)
1.	Attendance and participation in meetings of the Board of Directors and of the Board Committees	
2.	Independent Directors have sufficient knowledge of Company strategy and objective and can monitor performance.	
3.	Advises on implementation of good corporate governance practices.	
4.	Whether knowledge and experience of the Independent Directors have been adequately and productively used for the functioning of Board.	
5.	Independent Directors make efforts for professional development to enable better fulfilment of their responsibilities.	
6.	Independent in judgement and actions	
7.	Exercised his/her duties with due & reasonable care, skill and diligence	
8.	Acted in good faith and in the best interests of the Company towards promotion of interest of the stakeholders	
9.	Conduct in compliance with the policies of the Company viz. Code of Conduct, Code of Conduct for Prevention of Insider Trading, Whistle blower Policy etc.	
10.	Fulfilment of the independence criteria as specified in Listing Regulations and other applicable laws and their independence from the management	
	Overall Performance (Remarks)	

Name of Director :

Signature :

Date & Place :

Annexure - III

Performance Evaluation of Non-executive & Non-Independent Directors

Name of Director :

Type of Directorship : Non- Executive & Non-Independent Director

Assessment of the following Roles/Attributes as performed by or observed in the Director whose performance is under evaluation:

Sl. No.	Particulars/Role/Attribute	(Yes/No)
1.	Attendance and participation in meetings of the Board of Directors and of the Board Committees	
2.	Non-Executive & Non-Independent Directors have sufficient knowledge of Company strategy and objective and can monitor performance.	
3.	Advise on implementation of good corporate governance practices.	
4.	Whether knowledge and experience of the Non-Executive & Non-Independent Directors have been adequately and productively used for the functioning of Board.	
5.	Non-Executive & Non-Independent Directors make efforts for professional development to enable better fulfilment of their responsibilities.	
6.	Exercised his/her duties with due & reasonable care, skill and diligence	
7.	Acted in good faith and in the best interests of the Company towards promotion of interest of the stakeholders	
8.	Conduct in compliance with the policies of the Company viz. Code of Conduct, Code of Conduct for Prevention of Insider Trading, Whistle blower Policy etc.	
Overall Performance (Remarks)		

Name of Director :

Signature :

Date & Place :

Annexure - IV

Performance Evaluation of The Board

Assessment of the following Roles/Attributes as observed in the Board as a whole:

Sl. No.	Particulars/Role/Attribute	(Yes/No)
Composition and Quality		
1.	The Company has Diverse Board.	
2.	The Board monitors compliance with corporate governance norms and other laws applicable to the Company.	
Understanding Business including Risks		
3.	The Company's management and internal control system is periodically reviewed for appropriateness and relevance.	
Process and Procedure		
4.	The structure and content of the Board meeting agendas are appropriate.	
5.	Board meetings are conducted effectively, with sufficient time spent on significant or emerging points.	
6.	The agenda and related information are circulated in advance of the meetings to allow Board members sufficient time to study and understand the information.	
Oversight of Financial Reporting process including Internal Controls and Audit Functions		
7.	The Board considers the quality and appropriateness of financial accounting and reporting including transparency of disclosures.	
8.	The Board appropriately considers the suggestions from the Audit Committee, internal audit reports, management's responses, risk framework and steps toward improvement.	
9.	The Board through Audit Committee reviews material related party transactions.	
Ethics and Compliance		
10.	The Board is fully aware of the Company's code of conduct and has a well-developed sense of ethics.	
Monitoring Activities		
11.	An annual performance evaluation of the Board is conducted and any matters that require follow-up are resolved and presented to the Board.	
Overall Performance (Remarks)		

Name of Director :

Signature :

Date & Place :

Annexure - V

Performance Evaluation of The Committees

Assessment of the following Roles/Attributes as observed in the Committees:

Sl. No.	Particulars/Role/Attribute	(Yes/No)
1.	The Committee(s) composition is/ are appropriate	
2.	The Committee(s) has/ have a defined agenda.	
3.	Members of the Committee(s) receive agenda in sufficient time which permits them to effectively consider issues to be dealt with.	
4.	The mandate of the Board to the Committee(s) of all matters are clear and adequate.	
5.	The Committee(s) allocate(s) the right amount of time for its discussions.	
6.	The minutes of the Committee(s) are placed before the Board on a regular basis.	
7.	Appropriate internal and external support or resources are available to the Committee(s).	

Name of Director :

Signature :

Date & Place :

Annexure - VI

PERFORMANCE EVALUATION OF CHAIRMAN

Assessment of the following Roles/Attributes as observed in the Chairman:

Sl. No.	Roles/Attributes	(Yes/No)
1.	Chairman demonstrates effective leadership qualities and skills	
2.	Implementation of observations/recommendations of Board Members	
3.	Effective and timely resolution of grievances of Board Members	
4.	Ability to bring convergence in case of divergent views and conflict of interest situation tabled at Board meetings	

Name of Director :

Signature :

Date & Place :

For and on Behalf of the Board

Ashish Bharat Ram

Chairman & Managing Director
(DIN – 00671567)

Date: May 30, 2022

Place: New Delhi

Annexure - II to the Board's Report

Annual Report on CSR Projects as on March 31, 2022

1. Brief outline on CSR Policy of the Company

As per the requirement of Section 135 of the Companies Act, 2013, the Company had laid down a CSR Policy under which the Company had identified projects as per the Schedule VII of the Act in the following areas for the year 2021-22: -

- **Promotion of Education (ii):** Improving Quality of Education and Developing School infrastructure of Govt. Schools, Anganwadi Development, Setting up of School.
- **Employment enhancing vocational skills (ii):** Focusing on imparting appropriate skills as per the market and industry needs and providing a platform to the youth trained to be gainfully self-employed or linking them with potential employers to increase their employability and livelihood;

- **Environment (iv):** Plantation, Awareness Creation – Water Conservation, Ground Water Recharge, Research, Waste Recycling
- **Art and Culture (v):** Lecture cum demonstration session on classical music, dance, folk form, etc.
- **Rural Development (x):** Construction of community shed, village roads / community assets / village development activities/ temporary shelter for homeless etc.
- **Promotion of Health Care (i):** Prevention and Curative Health Care, Awareness Creation
- **Disaster Management (xii):** Relief and rehabilitation, livelihoods support, R&D, COVID awareness and response, vaccination etc.

2. Composition of CSR Committee:

Sl. 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.	Dr. Meenakshi Gopinath*	Chairperson*	Nil	Nil
2.	Mr. Arun Bharat Ram	Member	Nil	Nil
3.	Mr. Kartik Bharat Ram*	Chairman	Nil	Nil
4.	Mr. L. Lakshman	Member	Nil	Nil
5.	Mr. Yash Gupta*	Member	Nil	Nil

- Dr. Meenakshi Gopinath ceased to be a Director of the Company w.e.f August 31, 2021 and Mr. Kartik Bharat Ram was appointed as Chairman of the Committee w.e.f October 25, 2021 and Mr. Yash Gupta was inducted as a Member of the Committee w.e.f Oct 25, 2021.

3. Provide 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.

3.1. CSR Committee & CSR Policy: <https://srf.com/investors/corporate-governance/>

3.2. CSR Projects: <https://srf.com/investors/corporate-governance/>

4. Provide 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).

We have conducted Third Party Impact Assessment of Rural Education Program (REP) in both Nuh district of Haryana and Bharuch district of Gujarat. Study was conducted for the period between April 2019 to March 2021 with objective

to assess Program level and Organizational level outcomes. Also, Impact Assessment of Rural Vocational Program in Nuh district of Haryana was conducted with the objective to evaluate the program level outcomes and assess the organizational level changes in terms of tangible and intangible parameters.

Impact Assessment report can be accessed at: <https://www.srf.com/investors/corporate-governance/>

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Crores)	Amount required to be set-off for the financial year, if any (₹ in Crores)
1.	2020-21	-	-
2.	2021-22	-	-
TOTAL		-	-

6. Average net profit of the company as per Section 135(5)

₹ 930.31 Crores

7. (a) Two percent of average net profit of the company as per Section 135(5)

₹ 18.61 Crores

(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

Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): 2021-22

₹ 18.61 Crores

8. (a) CSR amount spent or unspent for the financial year: 2021 - 22

Total Amount spent for the Financial Year. (₹ in Crores)	Amount Unspent (in ₹)				
	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
18.68	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: 2021-22

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. 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	Project duration	Amount allocated for the project (₹ in Crores)	Amount spent in the current financial Year (₹ in Crores)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation- Direct (Yes/No).	Mode of Implementation- Through Implementing Agency
				State	District					Name CSR Registration number

(c) Details of CSR amount spent against other than ongoing projects for the financial year: 2021-22

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. 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 for the project (₹ in Crores)	Mode of implementation – Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration number
1.	Rural Education Program	(ii)	Yes, except Kamrup, Assam	Gujarat, Madhya Pradesh, Rajasthan, Tamil Nadu, Haryana, Uttarakhand and Assam	Bharuch, Bhopal, Dhar, Bhind, Bhiwadi, Thiruvallur, Chennai, Pudukottai, Mewat, Kashipur and Kamrup (M)	6.57	No	SRF Foundation	CSR00000733
2.	Vocational Skills Program	(ii)	Yes, except Bengaluru, Karnataka	Gujarat, Madhya Pradesh, Rajasthan, Tamil Nadu, Haryana, Uttarakhand, Uttar Pradesh and Karnataka	Bharuch, Gwalior, Dhar, Bhind, Bhiwadi, Thiruvallur, Chennai, Mewat, Kashipur, Noida and Bengaluru	0.78	No	SRF Foundation	CSR00000733
3.	SRF Vidyalaya, Gurugram	(ii)	Yes	Haryana	Gurugram	0.29	No	SRF Foundation	CSR00000733
4.	Environment	(iv)	Yes	Delhi,Gujarat, Rajasthan, Haryana	Delhi,Bharuch, Bhiwadi, Gurugram	5.07	No	SRF Foundation	CSR00000733
5.	Art & Culture through Spic Macay	(v)	No	Pan India	-	0.25	No	SRF Foundation	CSR00000733
6.	Disaster Management: Covid19	(xii)	Yes, except Noida, UP	Gujarat, Madhya Pradesh, Rajasthan, Tamil Nadu, Uttarakhand, Uttar Pradesh	Bharuch, Bhopal, Dhar, Bhind, Bhiwadi, Thiruvallur, Chennai, Pudukottai, Kashipur, Noida	5.47	No	SRF Foundation	CSR00000733
7.	Disaster Management: Flood Relief	(xii)	Yes	Madhya Pradesh, Tamil Nadu	Gwalior, Thiruvallur and Chennai	0.12	No	SRF Foundation	CSR00000733
TOTAL						18.55			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: 0.13 Crore

(f) Total amount spent for the Financial Year(8b+8c+8d+8e): ₹ 18.68 Crores

(g) Excess amount for set off, if any: 0.07

Sl. No.	Particular	Amount (₹ in Crores)
(i)	Two percent of average net profit of the company as per section 135(5)	18.61
(ii)	Total amount spent for the Financial Year	18.68
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.07
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.07

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year(₹ in Crores)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (₹ in Crores)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2020-21	-	-	Clean Ganga Fund	0.37	Sep 28, 2021	0.00

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
1.	01/2020-21	Rural Education & Skilling Program	FY 2020 - '21	2 Years	3.21	Rural Education & Skilling Program	1.25	Completed
2.	02/2020-21	Rural Education & Skilling Program	FY 2020 - '21	2 Years	3.79	Rural Education & Skilling Program	1.45	Completed

10. 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)	Details of Capital Assets	Oxygen Compression and Cylinder filling System	In-House Water Treatment Plant (WTP)
(b)	Date of creation or acquisition of the capital asset (s)	30/06/2021	31/03/2022
(c)	Amount of CSR spent for creation or acquisition of capital asset	0.76 Crore	4.50 Crores
(d)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	SRF Foundation, Tower – C, 1 st Floor, Unitech Business Zone, Nirvana Country, South City – II, Gurgaon, Haryana, India – 122018 A society registered under Societies registration Act, 1860 CSR Registration Number- CSR00000733	The Delhi Golf Club, Dr. Zakir Hussain Road, New Delhi – 110003 A section 8 company registered under companies Act, 1956 CSR Registration Number - CSR00002962
(e)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):	SRF Limited, Mhow-Ghatatillod Road, Pithampur Industrial Area, Indore District, Pithampur, Madhya Pradesh – 454774	The Delhi Golf Club, Dr. Zakir Hussain Road, New Delhi - 110003

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5).

There was no unspent amount.

Date: May 09, 2022
Place: Gurugram

Sd/-
Ashish Bharat Ram
Chairman & Managing Director

Sd/-
Kartik Bharat Ram
Joint Managing Director and
Chairman CSR Committee

Annexure - III to the Board's Report

ESPS Disclosures

Details related to ESPS

- (i) Details of allotments made under **Part-B of SRF ESPS 2018 of SRF Limited (SRF) Employees Long Term Share Based Incentive Plan – 2018** during the financial year 2021-22:

- (a) Date of shareholders' approval: **26th March 2018**
(b) Number of shares issued: **1,95,000**
(c) The price at which such shares are issued: **10**
(d) Lock-in period: **1 year from the date of Allotment**

- (ii) Details regarding allotment made under **Part-B of SRF ESPS 2018 of SRF Limited (SRF) Employees Long Term Share Based Incentive Plan – 2018**, as at the end the financial year 2021-22 :

Particulars	Details of Allotment during FY 2018 - '19	Details of Allotment during FY 2021 - '22
The details of the number of shares issued under ESPS	60,000#	1,95,000
The price at which such shares are issued	₹ 10/-	₹ 10/-
Employee-wise details of the shares issued to		
i) senior management" as defined under regulation 16(1) (d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015		
Mr. Prashant Yadav, President & CEO (FCB & TTB)	20,000 Shares	55,000 shares
Mr. Prashant Mehra, President & CEO (PFB, LF & CF)	20,000 Shares	55,000 shares
Mr. Anurag Jain, President & CEO (SCB & CTG)	20,000 Shares	55,000 shares
Mr. Rahul Jain, President & CFO	-	15,000 shares
Mr. Sanjay Rao, President & CIO	-	12,500 shares
Mr. Ajay Chowdhury, President & CHRO	-	2,500 shares
ii) any other employee who is issued shares in any one year amounting to 5% or more shares issued during that year;	None	None
(iii) identified employees who were issued shares during any one year equal to or exceeding 1% of the issued capital of the company at the time of issuance	None	None
Consideration received against the issuance of shares, if scheme is implemented directly by the company	₹ 6,00,000	₹ 19,50,000
Loan repaid by the Trust during the year from exercise price received	NA	NA

#Bonus shares in the ratio of 4 equity shares for every 1 equity shares were issued in respect of these shares on 15th October 2021

Details related to Trust

Details, inter alia, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the Regulations :-

- (i) General information on all schemes:

Sl. No	Particulars	Details
1.	Name of the Trust	SRF Employees Welfare Trust
2.	Details of the Trustee(s)	SRF Employees Benefit Scheme LLP
3.	Amount of loan disbursed by company / any company in the group, during the year	NIL
4.	Amount of loan outstanding (repayable to company/ any company in the group) as at the end of the year	NIL
5.	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	NIL
6.	Any other contribution made to the Trust during the year	₹ 5,50,000

- (ii) Brief details of transactions in shares by the Trust

- (a) Number of shares held at the beginning of the year; : NIL
(b) Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;; NIL
(c) Number of shares transferred to the employees / sold along with the purpose thereof : NIL
(d) Number of shares held at the end of the year.: NIL

- (iii) In case of secondary acquisition of shares by the Trust

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	NIL
Acquired during the year	NIL
Sold during the year	NIL
Transferred to the employee during the year	NIL
Held at the end of the year	NIL

For and on Behalf of the Board

Ashish Bharat Ram

Chairman & Managing Director
(DIN – 00671567)

Date: 30th May 2022

Place: New Delhi

Annexure - IV to the Board's Report

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (Listing Obligations and Disclosure Requirements) REGULATIONS, 2015

TO
THE MEMBERS OF SRF LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 18 May 2022.
2. We have examined the compliance of conditions of Corporate Governance by **SRF Limited** ("the Company"), for the year ended March 31, 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2022.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We 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.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

Kaushal Kishore

Partner

Membership Number: 090075

UDIN: 22090075AJTKND7904

Place: Delhi

Date: 27 May 2022

Annexure - V to the Board's Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
SRF Limited
(CIN: L18101DL1970PLC005197)
The Galleria, DLF Mayur Vihar,
Unit No. 236 & 237, 2nd Floor, Mayur Place,
Mayur Vihar Phase I Extension, New Delhi-110091

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SRF Limited** (hereinafter called "the Company") for the financial year ended March 31, 2022. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that

- 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 and we adhered to best professional standards and practices as could be possible while carrying out 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, provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of the financial statements of the Company.

- Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 ("Audit Period") complied with the 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 Audit Period 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, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
- The following Regulations 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, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 {Not applicable during the audit period};
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 {Not applicable to the Company during the audit period};
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 {Not applicable to the Company during the audit period}; and
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India.

We report that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, to the extent applicable, as mentioned above, during the audit period.

- The Company is engaged in manufacturing of **Chemicals & Other Businesses** plants located at Alwar, Rajasthan; Bharuch, Gujarat, Udham Singh Nagar, Uttarakhand and Thiruvallur, Tamil Nadu; **Technical Textiles** plants at Manali, Tamil Nadu; Bhind, Madhya Pradesh; Thiruvallur, Tamil Nadu and Pudukottai, Tamil Nadu; and **Packaging Films** plants at Udham Singh Nagar, Uttarakhand and Indore and Dist. Dhar, Madhya Pradesh. As informed by the management, following are some of the laws specifically applicable to the Company: -

- Narcotics Drugs and Psychotropic substance Act, 1985;
- Legal Metrology Act, 2009;
- SEZ Act, 2005 and SEZ Rules, 2006;
- The chemical weapons convention Act, 2000;

On the basis of management representation, recording in the minutes of Board of Directors and our check on test basis, we are on the view that the Company has ensured the compliance of laws specifically applicable on it.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including woman director. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and

detailed notes on agenda were sent in advance of the meetings and there exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting for the meaningful participation at the meetings.

As per minutes, Board decisions were carried out with requisite majority. There were no dissenting views which were required to be captured and recorded in 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.

We further report that during the audit period

- the Shareholders at their Annual General Meeting held on 31st August, 2021 passed a Special Resolution to Offer or invitation to subscribe to secured/unsecured Redeemable Non-Convertible Debentures in one or more series/ tranches, aggregating upto ₹ 1500 Crores (Rupees Fifteen Hundred Crores), on private placement basis.
- the Shareholders of the Company passed the following resolutions by way of postal ballot on 6th October, 2021:

- Special Resolution for cancellation of unissued portion of Authorized Preference Share Capital representing 2,00,00,000 Cumulative Preference Shares of ₹ 100/- each aggregating to ₹ 200,00,00,000/- and correspondingly increase in Authorised Equity Share Capital to 32,00,00,000 Equity Shares of ₹ 10/- aggregating to ₹ 320,00,00,000/- in lieu of the cancelled unissued portion of the Authorized Preference Share Capital of the Company and consequent alteration of the Memorandum of Association;
- Ordinary Resolution for issue of Bonus Shares in the proportion of 4 (four) fully paid up equity shares for every 1 (one) existing fully paid up equity share. After allotment of these bonus shares, the paid-up share capital of the Company was increased to ₹ 296,22,60,250/-.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900

Devesh Kumar Vasisht
Partner
CP No.: 13700

Date: May 30, 2022
Place: New Delhi
Mem. No. F8488
UDIN: F008488D000427929

Annexure - VI to the Board 's Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) **The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary and CEO during the financial year 2021-22 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 are as under:**

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2021-22 (₹/Crores)	% Increase in Remuneration in the Financial Year 2021-22	Ratio of remuneration of each Director to median remuneration of employees
1.	Arun Bharat Ram ^{1, 2} Chairman	12.41	63.07%	248.19
2.	Ashish Bharat Ram ¹ Managing Director	12.76	36.03%	255.20
3.	Kartik Bharat Ram ¹ Deputy Managing Director	12.48	35.49%	249.57
4.	Meenakshi Gopinath ³ Director (CSR)	0.06	(62.94%)	1.26
5.	Tejpreet S Chopra Non-Executive Director	0.21	10.53%	4.20
6.	Lakshman Lakshminarayan Non-Executive Director	0.19	2.11%	3.88
7.	Vellayan Subbiah Non-Executive Director	0.19	11.76%	3.80
8.	Bharti Gupta Ramola Non-Executive Director	0.19	7.22%	3.86
9.	Yash Gupta Non-Executive Director	0.21	11.58%	4.24
10.	Puneet Dalmia Non-Executive Director	0.19	9.41%	3.72
11.	Pramod G Gujarathi Director (Safety and Environment)	0.22	8.75%	4.35
12.	Prashant Mehra ⁴ President & CEO (Packaging Films Business, CF & LF)	5.68	25.69%	Not Applicable
13.	Prashant Yadav ⁴ President & CEO (Fluorochemicals Business and Technical Textile Business)	5.66	28.70%	Not Applicable
14.	Anurag Jain ⁴ President & CEO (Speciality Chemicals Business and CTG)	5.61	26.12%	Not Applicable
15.	Sanjay Chatrath ² President and CEO - TTB	2.43	(12.02%)	Not Applicable
16.	Rahul Jain ⁴ President & CFO	2.12	20.23%	Not Applicable
17.	Rajat Lakhanpal VP - Corporate Compliance and Company Secretary	0.78	5.10%	Not Applicable

(ii) The median remuneration of employees of the Company as on March 31, 2022 was ₹ 0.050 Crores as compared to ₹ 0.047 Crores as on March 31, 2021. The increase in median remuneration was 6.59% as compared to 2020-21.

(iii) There were 6674 permanent employees on the rolls of the Company as on March 31, 2022.

(iv) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Category	Average Increase
Employees' remuneration (other than Directors)	10.02%
Managerial remuneration (Directors)	41.41%

The increase in managerial remuneration and remuneration of other employees is a function of many factors such as company performance, compensation philosophy, market competitiveness, local agreements with unions and the total number of employees. Percentage increase in employees remuneration (other than Directors) includes increase on account of shares issued under ESPS during the year.

v) It is hereby affirmed that the remuneration paid is as per the Nomination, Appointment and Remuneration Policy of the Company.

Notes:

¹ Designations as on March 31, 2022. After the resignation of Mr. Arun Bharat Ram, Executive Chairman, and re-designation of Mr. Ashish Bharat Ram and Mr. Kartik Bharat Ram, the designations have been changed w.e.f. 1st April 2022 as below

- Chairman to **Chairman Emeritus**
- Managing Director to **Chairman and Managing Director**
- Deputy Managing Director to **Joint Managing Director**

² Remuneration of outgoing employees includes, Leave encashment and other Retirals. Date(s) of resignation and retirement are as below:

- Mr. Arun Bharat Ram - March 31, 2022 (resignation)
- Mr. Sanjay Chatrath – October 31, 2021 (retirement)

³ Retired on August 31, 2021.

⁴ Remuneration excludes perquisite value of ESPS and tax paid thereon by the Company. Remuneration including these are given below:-

Name	Designation	Remuneration including Perquisite value of ESPS and Tax (in ₹ Crores)	% Increase in Remuneration in the Financial Year 2021-22
Prashant Mehra	President & CEO (Packaging Films Business, CF & LF)	22.29	393.23%
Prashant Yadav	President & CEO (Fluorochemicals Business and Technical Textile Business)	22.28	406.27%
Anurag Jain	President & CEO (Speciality Chemicals Business and CTG)	22.23	399.45%
Rahul Jain	President & CFO	6.57	273.40%

For and on Behalf of the Board

Ashish Bharat Ram

Chairman & Managing Director
(DIN – 00671567)

Date: May 30, 2022

Place: New Delhi

Annexure - VII to the Board's Report

Conservation of Energy – Measures taken:

1. Laminated Fabrics Business, Kashipur

- Saved 424582 Kwh / annum by Banbury A, Banbury B and Mixing mill A automation on calender line
- Saved 89.6 MT of furnace oil / annum by integrating hot oil circulating systems of PFB & LFB
- Saved 27588 Kwh / annum by efficient operation of compressed air systems

2. Coated Fabrics Business, Gummidipoondi

- Savings of 340 MT Husk in solid fired thermic fluid heater by efficient operation and maintenance of system and production planning

3. Packaging Film Business, Indore (SEZ)

- Saved 3,43,314 KWH by installation of close loop cooling tower and reducing cooling load from utility chillers for Line I Chill Roll, Machine Direction Oriented (MDO), Take up and Transfer (TUT) and Air Handling Units (AHUs)
- Saved 2,04,820 KWH by upgradation of Line I and Line II air washers, line II & metallizer AHUs (Air Handling Unit) and exhaust blower fan with new energy efficient (EC-5) plug fans - Amount spent – 59.80 lacs
- Saved 1,18,000 KWH by optimization of chilled water pump for head, flow, and energy efficient motors - Amount spent (34.86 lacs)

4. Packaging Films Business, Indore DTA

- Saved 1,31,500 KWH from installation of drive in hot oil system of BOPP line to optimize oil flow without compromising the process and quality
- Saved 235 MT of pet coke by commissioning ash recirculation system in pet coke heater
- Saved 20 KL water by using cooling tower water in place of chilled water from Tetra Ethylene Glycol (TEG) cooling system

5. Packaging Films Business, Kashipur

- Saving of 50,000 KWH by replacing one more piston type vacuum pump by installation of energy efficient vacuum pump in metallizer. Amount spent – INR 26.56 lacs
- Saved 30,000 KWH by installation of Solar Geyser in guest house and canteen.

6. FCB Bhiwadi

- Saved 1.8 lac units of electricity, 400 MT of steam and 90 MT of LSHS in AHF plant by implementing the following measures:
 - a. Shifting crude tank from ground floor to first floor to increase the pump suction head
 - b. Changing crude HF Pump from centrifugal to positive displacement pump
 - c. Improving the condensers & reboiler cleaning process using hydro jetting
 - d. Replacing the distillation column with improved internal design

- e. Changing the drift eliminator design from honeycomb type to wooden type
 - f. Modifying the cooling water circuit design
 - Saved 3.5 lac units of electricity by improving the C1 recycling design in CMS plant
 - Saved 0.12 lac units of electricity by replacing old lighting luminaires with LEDs
 - Saved 0.20 lac units of electricity by installing a variable frequency drive in AHF plant
 - Saved 0.10 lac units of electricity by reducing and optimizing the heat load of rotary UPS panel
- 7. FCB Dahej**
- Saved 235 MT of furnace oil in -134a plant by optimizing the fuel air ratio to ensure complete combustion of fuel
 - Saving of 14 lac units of electricity by improving the heat transfer coefficient of brine chiller
 - Saved 2.9 lac units of electricity by optimizing operations to take advantage of favorable climatic conditions
 - Saved 9.5 lac units of electricity by optimizing and re-routing the air compressor load
 - Saved 0.5 lac units of electricity by installing new energy efficient motors
 - Saved 0.15 lac units of electricity by replacement of CFL to LED fixture
 - Saved 0.15 lac units of electricity by installing light detector Resistor (LDR) and timer

- 8. SCB Bhiwadi**
- Water conservation of 45 KL / day by various water saving & control measures implemented at site
 - Saving of 206 MT steam (₹ 2.8 lacs) by optimizing steam traps & installation of tracer traps
 - Saving of 2.04 lacs units of electricity (₹ 17.15 lacs) by installing variable frequency drives in equipment
 - Saving of 3827 units of electricity (₹ 0.31 lacs) in lighting by replacing conventional lights with LEDs
- 9. SCB Dahej**
- Savings of 532 MWH (₹ 29.26 lacs /annum) by replacing brine with chilled water from process chiller
 - Savings of 50.4 MWH (₹ 2.77 lacs /annum) by exchanger replacement in brine package
 - Savings of 1360 MWH (₹ 74.8 lacs /annum) by power consumption optimization through pumping system
 - Savings of 133 MWH (₹ 7.31 lacs /annum) through heat load optimizations for CT
 - Savings of 776 MWH (₹ 42.68 lacs /annum) by installation of automated systems
 - Saving of 321.4 MWH (₹ 17.67 lacs /annum) by improving power factor
 - Savings of 566.9 MWH (₹ 31.18 lacs / annum) by utilization & removal of VFD / soft starter
 - Other savings of ₹ 9.42 lacs /annum
- 10. Technical Textile Business – Gwalior**
- Annualized saving of 8.30 lacs kwh achieved by replacing conventional air blowers with energy efficient mono block fans in air washers

- Annualized saving of 0.50 lacs kwh achieved by Installing energy efficient cooling water pump
- Annualized saving of 0.53 lacs kwh achieved by Installing energy efficient chilled water pump
- Annualized saving of 0.72 lacs kwh achieved by replacing chilled water coils of quench air washer plant-I

11. Technical Textile Business – Manali

- Annualized saving of 1.95 lacs kwh achieved by installation of new EC fans in Textile AHU 1B & AHU 2
- Annualized saving of 0.13 lacs kwh achieved by installation of energy efficient motor (IE4 – 90KW) in spinning extruder (1 no's)
- Annualized saving of 1.12 lacs kwh achieved by air power consumption optimization by ultrasonic study and leakage arresting

12. Technical Textile Business – Gummidipoondi

- Annualized saving of 1.72 lacs kwh achieved in semi variable power by installation of CC2 twisting machines in the same textile shed
- Annualized saving of 1.40 lacs kwh achieved by optimizing twister traveler weight
- Annualized saving of 0.65 lacs kwh achieved by 4 zone operation in dipping
- Annualized saving of 1.26 lacs kwh achieved by compressed air power savings through better SPC & air loss reduction through ultrasonic leak detector
- Annualized saving of 3.99 lacs kwh achieved by chillers and auxiliary change overs from high capacity to lower capacity w.r.t heat load and better SPC

- Annualized saving of 0.58 lacs kwh achieved by fan speeds regulations in lean production period, stopping fans in accordance to heat load and ambient condition in Textile AHUs power
- Annualized saving of 1.66 lacs kwh achieved by PIY take up fan speeds regulations in accordance to heat load and ambient condition

13. Technical Textile Business – Viralimalai

- Annualized saving of 0.15 lacs kwh achieved by optimization of lighting (replacement mercury / fluoro cent with LED fittings)
- Annualized saving of 0.18 lacs kwh achieved by replacing TFO- motor from 40 HP to 30 HP and weft motor from 50 HP to 30 HP
- Annualized saving of 0.08 lacs kwh achieved by replacing Sulzer RUTI loom motor capacity from 10 HP to 5 HP
- Annualized saving of 0.20 lacs kwh achieved by Installed energy efficient air compressor in Plant 2

Capital Investment on Energy Conservation Equipment:

TTBM:

- Installation of energy efficient motor (IE4 – 90KW) in spinning extruder (1 no's). Total investment - ₹4.5 lacs
- Installation of new EC fans in Textile AHU 1B & AHU 2. Total investment - ₹ 45 lacs

TTBV:

- The energy efficient air compressor for plant 2 is a capex of ₹6.65 lacs

Packaging Film Business, Indore SEZ

- Installation reinforced chain flaps in line II HS9 model chain – INR 426 lacs

- Installation of 3-way metal separator system for Line II co-extruders – INR 65.72 lacs
- Installation of lightning protection system (IS/IEC 62305-2 code)- INR 45.12 lacs
- Infrastructure for smooth utilization of de-metallized fluff – INR 40.47 lacs
- Restructuring of Power Control Circuit (PCC) by installation of 2 MVA energy efficient transformers – INR 28.61 lacs
- Installation of New design Heat Exchanger in Line I Air Drying Unit (ADU)- INR 9 lacs

SCB Bhiwadi:

- Conversion of energy monitoring meters: ₹ 25 lacs
- Renewable energy utilization at warehouses: ₹ 15 lacs
- Installation of energy efficient compressors: ₹ 40 lacs
- Cooling tower upgradation of plants: ₹ 45 lacs
- VFD installation of ₹ 15 lacs

SCB Dahej:

- Investment in providing heat exchanger to stop brine chiller: ₹ 6 lacs
- Investment in providing higher capacity evaporator in brine package: ₹ 9 lacs
- Investment in installation of automated systems: ₹ 33 lacs
- Other investments of ₹ 2.4 lacs

SCB: Technology Absorption

Technology plays a pivotal role in development of complex products within shorter timelines for the Specialty Chemicals Business. The technology teams at SRF are actively engaged in development

of new molecules used as intermediates by the Pharmaceutical and Agrochemical customers. The inhouse R&D helps development of novel cost-effective routes for both new and existing products, while multiple teams in the Chemical Technology Group focus on innovation in cost effective processes development and overcoming the technology barriers to scale up the production to meet market demand.

During the year, several molecules were developed for the global innovators, that were challenging in terms of quality and technological parameters. The Business successfully demonstrated its capability to address innovators' demand at different scales ranging from a few grams to few hundred metric tons by producing a number of high-value products from both dedicated and flexible manufacturing assets at its sites at Bhiwadi and Dahej. The focus of the Business is to create value for its customers by addressing complexity across the value chain.

The technological teams in conjunction also worked on improving the technology, lowering the cost of production, and expanding the plants' capacities.

Some of the areas where technology has been absorbed in this period are:

- Building capabilities and exploring novel technologies to develop new age molecules
- Capacity and production yields of several product were significantly enhanced
- Improvement of in-process norms to reduce costs
- Focus on automation to improve process stability and costs
- Strong emphasis on waste generation minimization and ensuring process safety
- Enhanced efforts to create and protect IP

The Business would continue to benefit from technology absorption as it continues to invest in the

technological advancements, people, and processes, to enhance learnings, and overall value proposition for the customers.

TTB:

"The R&D centre of Technical Textiles Business is located at Manali, Chennai. Equipped with state-of-the-art Pilot facilities and sophisticated testing laboratories for evaluating Polymers, Fibers and fabrics, the TTB-R&D centre aims at maximizing competitiveness of Technical Textiles Business through market oriented new product/ technology development. In this regard, the R&D centre has developed many variants of Polyester Industrial Yarns as reinforcements in geotextiles and Aramid based reinforcement fabric for hoses, each tailor-made for the respective application.

Apart from the developments in existing business space, novel products involving Nano-technology are also being developed by this centre in close association with leading Academic and Research Institutes in India and abroad for various research projects. TTB-R&D also works in close collaboration with major

customers for joint developments in the field of Tyre cords, belting fabrics and other Mechanical Rubber Good reinforcements"

C) Foreign exchange earnings and outgo

(₹ in Crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2022
Foreign Exchange Earnings	3325.05	4,614.26
Foreign Exchange outgo	1686.70	3,114.78
Net Foreign Exchange Earnings	1638.35	1,499.48

For and on Behalf of the Board

Ashish Bharat Ram

Date: May 30, 2022 Chairman & Managing Director
Place: New Delhi (DIN: 00671567)

Management Discussion & Analysis



In the following pages, the Management will provide its perspective on the operating and financial performance of the Company during FY 2021 - '22 and an outlook of the business performance in the coming years.

Businesses

SRF Limited is a chemical-based, multi-business conglomerate engaged in the manufacturing of industrial and specialty intermediates. The Company is widely recognised and well respected for its R&D capabilities globally, especially in the niche domain of chemicals. SRF Limited is a market leader in most of its business segments in India with a significant global presence. The Company has operations in four countries namely India, Thailand, South Africa, and Hungary. SRF has commercial interests in more than ninety countries and classifies its businesses as Technical Textiles Business (TTB), Chemicals Business (CB), Packaging Films Business (PFB), and Other Businesses.

Technical Textiles Business

FY 2021 - '22 started on a difficult note with lockdown restrictions due to the second wave of COVID-19. However, the Technical Textiles Business (TTB) continued to operate all its manufacturing plants with strict adherence to safety measures resulting in top-notch product quality.

In addition, the Business faced supply chain challenges, but no plants were shut down due to shortage.

Tyre Cord Fabrics (TCF)

Nylon Tyre Cord Fabric (NTCF) segment witnessed strong demand during the first six months of the year due to pent-up demand from replacement and OEM markets. However, in H2, the market witnessed steep decline because of low original equipment (OE) tyre sales and a subdued replacement market. This led to lower capacity utilisation of TCF in H2 FY 2021 - '22.

Belting Fabrics (BF)

Steel, cement, coal, and power generation industries are key end-user industries for the Belting Fabrics segment. Each of these industries experienced high growth in FY 2021 - '22. These market dynamics led to a significant increase in business volume. The belting fabrics segment also commercialised a few key high-end Value-Added Products (VAPs), which contributed to the Business delivering its best results in FY 2021 - '22. Furthermore, the BF segment completed its approved capacity expansion projects in FY 2021 - '22.

Polyester Industrial Yarn (PIY)

The Polyester Industrial Yarn (PIY) segment achieved increased volume in FY 2021 - '22. Despite an unfavourable product mix, the performance of the segment remained stable. PIY segment will further consolidate its position in FY 2022 - '23 and focus on profitable product sales mix.

Outlook

In FY 2022 - '23, all trends point to a positive outlook for the Indian economy, infrastructure development,

and agricultural growth. This is likely to have a positive affect on the performance of the Technical Textiles Business. We expect an improvement in demand & hence enhanced capacity utilisation.

Chemicals Business

The **Chemicals Business** comprises two different product segments, namely **Fluorochemicals** and **Specialty Chemicals**.

Fluorochemicals

Refrigerants & Propellants and Industrial Chemicals

FY 2021 - '22 has been a volatile year, with many uncertainties throughout the year. The year started on a positive outlook, which was soon hit by COVID-19 second wave, semiconductor chip shortage, supply chain issues, force majeure by suppliers, among others. This impacted the domestic refrigerant market negatively. However, the international markets remained strong throughout the year, and we were able to leverage on this opportunity, resulting in our exports sales going up significantly.

The industrial chemicals market witnessed growth due to an expansion in the pharma and agrochemicals

segments. SRF was able to maintain its share and launched one new product early in the year. Dymel®/ Propellants witnessed an increased market share along with entry in new geographies.

Both our sites had stable and safe operations throughout the year. Regardless of various negative external factors, the overall business performance has been stable and higher than last year.

Outlook

Despite disrupted recovery, higher inflation, rise in energy and raw material prices, supply chain bottlenecks, we anticipate an increase in demand on account of pent-up refrigerants requirement in the domestic market and in the industrial chemicals segment.

Exports are likely to remain stable. More specifically, in the United States, with our current reasonable business share and a positive market outlook, we expect to register healthy performance, going forward.

Overall, the Business is anticipated to improve its performance with the commissioning of new plants like CMS, PTFE, along with other cost improvement initiatives including supply chain stabilisation.



Specialty Chemicals Business

In FY 2021 - '22, the Specialty Chemicals Business (SCB) maintained its growth momentum, despite being impacted by the 2nd wave of pandemic, which resulted in challenges such as availability of manpower and other resources. Nevertheless, both sites managed uninterrupted production. In the later part of the year, the Business encountered challenges, such as rising crude prices, logistics issues, and global shortage of some input material that increased the prices of key raw materials required in various processes.

The Business focussed on the customers' key products and their developmental project requirements, while ensuring the production capacities were optimally utilised during the year. This ensured continuity of customers' supply chain. The synergetic effort of all the teams ensured that even in challenging times, the Business maintained its growth trajectory and continued advancing on its key strategic priorities.

The agility demonstrated in supplying some critical and complex intermediates in challenging times was lauded by all our customers. Demonstration of operational excellence by both the sites also helped the Business successfully convert market opportunities into commercial propositions.

Furthermore, we continued our 'Innovation and Technology Leadership' journey by launching several new agrochemical and pharma intermediates. In addition, we also enhanced production capacities of several plants at both the sites, while reducing consumption norms of some raw materials, thereby offsetting the impact of higher raw material prices to some extent.

The Business continues to evaluate its capabilities vis-à-vis the market needs and takes measures to secure its ability to deliver complex specialty products to meet the customers' requirements. During the year, we enhanced our market positioning by commissioning three new dedicated plants.

During the year, SCB secured the Board's approval to build its fourth Multipurpose Plant and a new Pharma Intermediates facility, among other new upcoming facilities at Dahej, Gujarat. The Business continues to make investment towards safer, cleaner,



We continued our 'Innovation and Technology Leadership' journey by launching several new agrochemical and pharma intermediates.



The Business focussed on the customers' key products and their developmental project requirements, while ensuring the production capacities were optimally utilised during the year.

and leaner operations, and further strengthen its sustainability initiatives.

Outlook

The Specialty Chemicals Business remains focussed on agrochemical and pharmaceutical segments, where it collaborates with major global innovators for process development, commercialisation, and production of complex, new-age molecules having downstream application in agrochemical and pharmaceutical segments.

With sustainability and environment at the heart of product development, the Business will continue in its endeavour to deliver better value to its customers. We remain committed to invest in emerging and futuristic technologies, while focussing on operational excellence to grow sustainably.

Chemicals Technology Group

The Chemicals Technology Group (CTG) has been instrumental in bringing path-breaking technologies for new products' development and introduction of new chemistries for the growth of the Fluorochemicals and Specialty Chemicals Businesses.

During the year, CTG continued to boost its capabilities and added new technologies, to support the Businesses. The centrepiece of the sustained growth momentum was technological advances and breakthroughs achieved by our team of researchers and scientists. Today, CTG has transformed into the innovation and technology leadership centre at SRF, developing a variety of new technologies and platforms to bolster SRF into next-level technology play.

For over two decades, CTG has enabled the Business growth in Fluorinated molecules and now it is increasingly engaged in the development of complex non-Fluorinated intermediates. It is crucial to keep on enhancing CTG's capabilities and support systems with rising complexity in developing products and reducing timelines for delivery to market. The R&D and scale-up facilities at Bhiwadi were augmented during the year and a new R&D facility has been commissioned at Bhiwadi to achieve this. In addition, the R&D has been integrated into one location at Bhiwadi, to further improve the collaborative efforts of researchers and scientists.



R&D worked on 57 molecules and many products were successfully taken up for process development. More than 20 molecules were taken up for the scale-up studies and 70% were commercially produced in multipurpose and dedicated plants.

The dedicated R&D facilities, developmental labs, and pilot plant facilities, having many scientists and engineers are working together to achieve the innovation and technology leadership at SRF. SRF continues to invest in R&D for creating propositions for the future and Capital and Revenue expenditures of ~₹ 110 crore was spent during FY 2021 - '22.

R&D worked on 57 molecules and many products were successfully taken up for process development. More than 20 molecules were taken up for the scale-up studies and 70% were commercially produced in multipurpose and dedicated plants.

In FY 2021 - '22, CTG filed fifty-two patents taking the total count to three hundred and sixty-one patents filed so far. Twenty-one patents were granted in FY 2021 - '22 taking the total count of patents granted to the Company to one hundred and fourteen.

Packaging Films Business

FY 2021 - '22 has been a good year for the Packaging Films Business (PFB). Increased demand for food packaging accompanied by hard work and passion of the team and our 'Easy To Do Business With (ETDBW)' philosophy, helped the Business achieve its best-ever performance.

All plants maximised their production, kept costs under control and created their own benchmarks. We could achieve our highest ever output of almost 3,07,000 MT during the year while sustaining best-in-industry cost structures. While optimising our assets to the fullest, we continuously strive to maintain a safe and healthy environment at our plants. In our journey of enhancing our Value-Added Products (VAPs) portfolio,

we launched several new products and grew overall BOPET VAP sales significantly over the previous year. Our team worked relentlessly to start the new BOPP film plant at Thailand despite severe travel restrictions and limited availability of supplier personnel and field experts on-site due to COVID-19 pandemic. Work on the upcoming BOPP film line in India is also progressing well and timely vertical start-up of this line will be an important focus area for us in FY 2022 - '23.

Even during challenging circumstances, the Business is driven by its philosophy of ETDBW, which keeps us focussed on serving our customers every day. Sustainability initiatives continue to remain amongst the topmost priorities for the Business. Recognising our commitment and contribution towards various sustainability-related initiatives, we were recently recognised with the prestigious award for Quality & Sustainability by the International Academy for Quality, a well-reputed global forum for promoting quality & sustainability initiatives.

Outlook

In recent times, several new film lines have been announced in India and globally. In future, we might witness an oversupplied market resulting in pressure on profitability. In FY 2022 - '23, SRF's primary focus will be on running its plants optimally and keeping costs under control. Our manufacturing capability in VAPs has been enhanced by the recent addition of paper metallisation and Alox coating assets and we plan to leverage our capabilities fully to further enhance our VAP portfolio. Efforts will be directed towards the vertical start-up of the BOPP line in India, both in terms of production and sales. In addition, we will continue our work on various sustainability



initiatives driven by the '3R' approach - Reduce, Reuse and Recycle. During the year, we will also keep a close watch on the macro scenario and will remain flexible to adapt our strategy accordingly.

Other Businesses

Coated and Laminated Fabrics Businesses

Coated and Laminated Fabrics Businesses were negatively impacted in the first quarter due to the situation arising from the COVID-19 pandemic. Demand for Coated Fabrics recovered during the year as restrictions on events and outdoor activities eased. SRF continued its price and volume leadership in Laminated Fabrics (LF) Business by selling at full capacity and achieving its highest-ever sales during the year. However, margins remained under pressure in LF as increase in costs could not be passed on completely to the customer due to excess supply.

Outlook

In FY 2022 - '23, we expect the demand to pick up as all restrictions on outdoor events have been lifted. In addition, with an overall revival in economic activity, the Business is anticipating healthy performance. In both the Businesses, the focus will be on increasing sales and working on various cost reduction initiatives.

Human Resources

At SRF, we ensured that we made our people feel a strong sense of security and belongingness, concern for their well-being and above all, a sense of safety, especially in their toughest times. The year began with a devastating wave of the pandemic, and the entire country grappled with it. Our prime focus at this time was to provide 'whatever' was needed by our people. From proper treatment to financial and/or emotional support to medicines to medical equipment, whatever was needed, was provided to the best of our abilities.

In the backdrop of COVID-19, financial well-being also became an important component of employee happiness and therefore, the organisation made concerted efforts to relieve this financial strain by placing increased importance on compensation and benefits, not just limited to but focussing more on COVID-related benefits such as higher insurances, access to proper medical treatment, timely and free vaccination, amongst the many other areas covered.

HR at SRF has been working with agility to reshape and automate its processes, provide custom-made decisions aligning to individual needs. To understand these individual needs even better, we reached

out to Gallup and hope to soon roll out customised solutions in areas that matter most. One such solution was the automated induction plan which was rolled out last year.

Both development and diversity have been at the forefront when it comes to the strategic agenda for the HR function. Building and sustaining diversity by making fundamental cultural changes will remain at the core of the organisational agenda till we are able to achieve desired targets in this space. On the development front, building emotional intelligence through specially-crafted programs for different people in different career stations became a key success factor. Development through special flagship journeys also picked a lot of steam leading to both acceptance and recognition of these.

Industrial Environment

The organisation's overall employee relations remained positive throughout the year. This was a result of our consistent efforts towards keeping our employees engaged. Various initiatives were implemented at the plants that encouraged participation and collaboration. We maintained a pleasant and cordial working environment across all manufacturing locations and witnessed a high in productivity at most of our manufacturing locations.

The total number of permanent employees at SRF stands at **7,389** at the close of business on March 31, 2022. Of these, **6,674** are based at our Indian locations.

Information Technology

Information Technology supported the hybrid work environment with staff working from different locations, bridging the distances very effectively through collaboration solutions. As the working practices stabilised in the new normal, the IT focus shifted to strategic growth projects and core systems modernisation this year.

The ERP system which is the main system of records and transaction processing for the Company is undergoing a generational upgrade which will provide many new-age enhancements and business benefits. As part of this project, the underlying hardware capacity was enhanced, and the database versions of all mission-critical applications were migrated to the latest versions. This provides room for the growth aspirations of the Company on reliable platforms.

The annual planning and budgeting activity is now digitised across all business units giving SRF the benefit of electronically visualising multiple scenarios as the start of the year. The monthly supply chain planning in the Chemicals Business is now fully automated with production batch planning and sourcing being optimally determined considering the market demand and the production capacity constraints, leading to optimal supply chain inventory holding and on-time availability to customers.

There were some Fin-Tech solutions deployed this year in supplier bill discounting and financial consolidation. An automated solution was deployed whereby vendors

Building and sustaining diversity by making fundamental cultural changes will remain at the core of the organisational agenda till we are able to achieve desired targets in this space.

FY 2021 - '22 witnessed the strengthening of the Foundation's Education Program. SRF Foundation turns Government schools into dynamic centres of education.

can auction on a marketplace to bid for early payment of their invoices. The quarterly consolidation and preparation of financial books is a time-consuming exercise. This process was It-enabled on an application which facilitated automated consolidation while consolidating the budget variance explanations and notes to accounts from the finance teams.

In the current scenario, it is important to give our new recruits a streamlined and good experience. The entire recruitment process was digitised to improve the turnaround time while improving the repository of candidates. The employee on-boarding process was also automated to ensure a uniform experience for new joiners.

Information security continues to a major focus area considering the volatile global situation. Solutions were put in place to protect and recover the SRF IT assets from a ransomware attack while also limiting its ability to spread. Automated Vulnerability management solution was put in place to discover and plug security gaps across the enterprise.

SRF will continue to invest in essential Information Technologies to keep operations running optimally while giving businesses an edge to compete globally with innovative offerings.

Community Partnerships

Building on its long-term commitment to the sustainable and inclusive growth of the community, SRF Foundation, the Corporate Social Responsibility arm of SRF Limited, expanded its scope of work and

took concrete steps in compliance with Section 135 of the Companies Act 2013 during FY 2021 - '22.

The Foundation continued to focus on the identified areas of Education, Vocational Skills, Environment, Rural Development, Disaster Management, Promotion of Arts and Culture and affirmative action on sustainable basis. Furthermore, it strengthened its Public Private Community Partnership (PPCP) model to positively affect the lives of people.

FY 2021 - '22 witnessed the strengthening of the Foundation's Education Program. SRF Foundation turns Government schools into dynamic centres of education. These schools are transformed into "Model Schools" through physical infra and digital development as well as the academic and school leadership transformation. Today, we have reached 414 Government schools across 24 locations in 12 states directly and indirectly by collaborating with likeminded partners providing quality education to more than 1,52,529 students, and training 4,401 teachers and headmasters.

To promote digital inclusion, SRF Foundation is working on KidSmart Centres, World on Wheels & GetSmart Mobile Digital Labs, Common Services Lab, and Digital Smart TV Classroom Programs in the intervention locations. In addition, the SRF Foundation is committed to turning schools into centres of innovation through future skills programs such as Tinker Coding Program, Atal Community Innovation Centers, Coding for Girls, and ATAL Tinkering Labs.

SRF Foundation undertook several new initiatives to improve the employability of people around its plant locations by providing vocational skills in partnerships with Amway India and Schneider Electric. This initiative benefited 897 school dropout youth and women from the marginalised community in FY 2021- '22. The Foundation also supported a child nutrition program through its project, 'Power of 5'.

Through its Natural Resource Management (NRM) program, SRF Foundation continued to reach the economically weaker families near its manufacturing plant in Bhiwadi, Rajasthan to improve their livelihood by adopting the watershed-based livelihood and environment conservation approach. In FY 2021 - '22, the program benefited more than 12,320 people in 35 villages around SRF Bhiwadi plant in the Tijara block where rainfall is below normal, by maintaining 206 earthen dams and ensuring the proper usage of these dams.

SRF Foundation conducted vaccination drive for more than 15,000 people, installed oxygen plants, and provided 60 oxygen concentrators for the benefit of the marginalised community around SRF plant locations.

As part of disaster management, we performed flood relief work in Gwalior, Gummidipoondi and Manali locations by distributing ration kits, blankets, and food to 3,376 people.

During the year, the Foundation was conferred the CSR Times Award (Gold category) for our Rural Education Program.

Internal Control System and Internal Audit

Being an enabling function, Internal Audit & Risk Management steers and coordinates the internal controls and risk management system. It provides standard operating procedures, methods, and tools, which forms the basis for enterprise risk management and internal control process.

The Internal Audit team develops a comprehensive annual internal audit plan employing systematic approach, which is risk-based audit area identification commensurate with the size and nature of business activities of the Company. In addition, the statutory auditor assesses the fundamental suitability of



internal audit for ensuring the effectiveness of internal financial controls as part of its audit of the annual financial statements. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the said plan. The Company has a well-documented system of internal financial controls in place commensurate with its size, scale, and complexity of operations. These controls have been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets, executing transactions with proper authorisation, and ensuring compliance with corporate policies. The controls based on the prevailing business conditions and processes have been tested by internal/reputed external auditors during the year and no reportable material weaknesses in the design or effectiveness were observed.

The Internal Audit team also monitors and evaluates the efficacy and adequacy of internal control systems in the Company, the ERP solutions, the accounting procedures, and policies at all locations. Based on the gaps reported in the internal audit report, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Any significant audit observations and corrective actions thereon are presented to the Audit Committee.

The Audit Committee reviews the reports submitted by the Internal Auditors (both internal and external) in each of its meetings. The Company also has a robust and comprehensive framework of Control Self-Assessment (CSA), which promotes

self-compliance monitoring mechanism in accordance with laid down policies and procedures, regulatory environment through IT-enabled platform such as CSA tool and Compliance Manager.

Risk Management

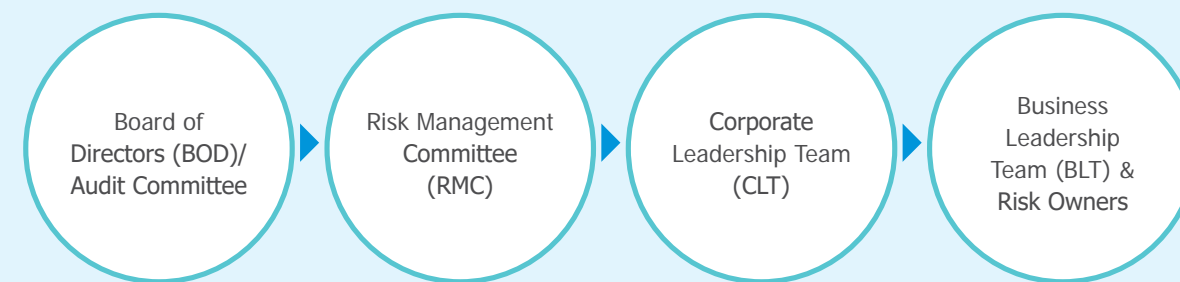
The Company has developed and implemented a Risk Management Framework, which is approved by the Board. Further, Board has constituted a Risk Management Committee (RMC) to oversee key risks and assist the Board in efficient management of risk management process.

The Risk Management Policy, inter alia, includes identification therein of elements of risk, including those, which in the opinion of the Board/RMC may threaten the existence of the Company or may have a significant material impact. Risk management process has been an integral part of the Company strategy and planning process. The Company has established a risk management framework to identify, assess and frame a response to threats that can affect its business objectives and stakeholders. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organisation. The responsibility of tracking and monitoring the key risks of the business/function periodically and implementing suitable mitigation plans proactively is with the senior executives of various business/functional units.

Risk Management Process



Risk Governance Structure



The key roles and responsibilities regarding risk management in the Company are summarised as follows:

1. Board of Directors (BOD) & the Audit Committee:

- The Board of Directors holds the overall responsibility for an effective risk management system. The Audit Committee of the Board examines the appropriateness and effectiveness of the risk management system at least once a year and reports to the Board
- Review the risks that may threaten the existence of the Company
- Consider the recommendation of Risk Management Committee on Risk Management Plan / Policy

2. Risk Management Committee (RMC):

- Overview Company's risk management framework and its compliance
- Identifications of key risks which may significantly impact the performance of the Company
- Review of policy, key risks as identified by management, provide guidance to the management, and updates the Board & Audit Committee on the same

3. Corporate Leadership Team (CLT):

- Develop risk management framework and policy
- Review key risks and mitigation action plan
- Review effectiveness of risk mitigation strategies, develop counter measure if any and update the same to RMC

4. Business Leadership Team (BLT) & Risk Owners:

- Identification, classification, and prioritisation of risks into high, medium, and low as per risk management framework
- Identify and implement risk mitigation measures
- Periodically review mitigation measures status, develop counter measures, if any
- Provide status update of key risks to CLT

Corporate Governance Report

Philosophy of the Company on Corporate Governance

For SRF Limited (SRF), good corporate governance means adoption of best practices to ensure that the Company operates not only within the regulatory framework, but is also guided by broader business ethics. The adoption of such corporate practices — based on transparency and proper disclosures — ensures accountability of the persons in charge of the Company and brings benefits to investors, customers, creditors, employees and the society at large.

Board of Directors

Composition of the Board

As on March 31, 2022, SRF's Board consisted of 10 Directors, of which four are executives of the Company (including the Chairman, who is an Executive Chairman), and six are independent. Table 1 gives the details of the Board as on March 31, 2022.

Table 1: Composition of the Board of Directors of SRF

Name of Director	Category of Director	No. of Directorships of Indian Public Ltd Co. (other than SRF Limited)*	No. of Committees where Chairperson or Member (including SRF Limited)#		Name of Listed Entities & Category of Directorship
			Chairperson	Member	
Mr. Arun Bharat Ram **	Executive Chairman, Promoter	3	-	2	- J K Paper Limited – Independent Director
Mr. Ashish Bharat Ram***	Executive, Promoter	5	1	1	- KAMA Holdings Limited – Non-Executive Director - Havells India Limited – Independent Director
Mr. Kartik Bharat Ram***	Executive, Promoter	3	-	2	- KAMA Holdings Limited – Non- Executive Director
Mr. Pramod G Gujarathi	Executive	1	-	1	- Chemiesynth (Vapi) Limited – Independent Director
Mr. Tejpreet S Chopra	Non-Executive, Independent	3	1	1	- Gujarat Pipavav Port Limited – Independent Director - Indian Energy Exchange Limited – Independent Director - Tube Investments of India Ltd. – Independent Director

Risk Classification

All the risks have been broadly classified into following categories:



Strategic Risk

Risk arising out of macro-economics and other external conditions which can significantly impact Company's strategic business decision, future aspiration, and financial performance



Financial & Reporting Risk

Financial reporting risk arises from the evolving accounting and financial reporting requirement, increasingly complex business model, etc.



Operational Risk

Risks of loss due to inadequate manufacturing process, insufficient resources, inadequate processes, safety or failure thereof, insufficient skill or people



IT and Cyber Risk

Potential loss due to non-availability of technical infrastructure or appropriate software technology, impact on data integrity, data theft or loss of Intellectual Property Right (IPR) due to compromised network security



Regulatory Risk

Risks arising out of regulatory non-compliances

During FY 2021 - '22, significant changes in the key financial ratios as per listing regulations were as follows:

Ratio	FY 2021 - '22	FY 2020 - '21	% Change	Remarks
Interest Coverage Ratio = (EBDIT - Current Tax) / Gross Interest and lease payments	19.04	12.02	58.41%	Higher operating margins and lower finance costs
Return on Net Worth = PAT / Net Worth	19.77%	14.70%	34.50%	Increase in PAT by 62.91% from ₹ 925.06 crore in FY21 to ₹ 1,507.01 crore in FY22

Name of Director	Category of Director	No. of Directorships of Indian Public Ltd Co. (other than SRF Limited)*	No. of Committees where Chairperson or Member (including SRF Limited)#		Name of Listed Entities & Category of Directorship
			Chairperson	Member	
Mr. Lakshman Lakshminarayan	Non-Executive, Independent	0	1	-	
Mr. Vellayan Subbiah	Non-Executive, Independent	5	1	3	- Tube Investments of India Limited – Executive, Promoter Director - Cholamandalam Investment and Finance Company Limited - Non-Executive Director - Cholamandalam Financial Holdings Limited - Non-Executive Director - CG Power and Industrial Solutions Limited - Non-Executive Director
Mrs. Bharti Gupta Ramola	Non-Executive, Independent	2	1	1	- HDFC Life Insurance Company Limited – Independent Director
Mr. Puneet Yadu Dalmia	Non-Executive, Independent	3	-	-	- Dalmia Bharat Limited- Managing Director - Piramal Enterprises Ltd - Additional Independent Director - Piramal Capital & Housing Finance Ltd - Additional Independent Director
Mr. Yash Gupta	Non-Executive, Independent	1	-	1	-

* Other directorships does not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.

Membership & Chairmanship of Stakeholder Relationship Committee & Audit Committee of Indian Public Companies have been considered.

** Mr. Arun Bharat Ram ceased to be Director from the closing of business hours on March 31, 2022 and was appointed as “Chairman Emeritus” wef April 1, 2022.

*** Mr. Ashish Bharat Ram was redesignated as Chairman and Managing Director and Mr. Kartik Bharat Ram was redesignated as Joint Managing Director wef 01.04.2022.

Approval of the shareholders to these changes is being sought in this annual general meeting.

Mr. Arun Bharat Ram is the father of Mr. Ashish Bharat Ram and Mr. Kartik Bharat Ram.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board :

Industry knowledge/experience	Technical skills/experience	Behavioural Competencies
a) Consulting Experience	a) Accounting and finance	a) Integrity and ethical standards
b) Manufacturing Industry experience	b) Industrial Engineers	b) Mentoring abilities
c) Understanding of relevant laws, rules, regulation and policy	c) Talent Management	c) Critical thinking
d) Analyzing Business Problems	d) Compliance and risk	d) Strategic Planning
e) Adapting to changing Business Conditions	e) Devising plans for New Business	e) Entrepreneurial & Commercial Acumen
f) Recommending cost-cutting measures	f) Proposing solutions to Business Problems	f) Analytical Decision Making
g) Recommending Process Improvements	g) Innovation	g) Customer Centricity
		h) Leading Change
		i) Leading People

Skills available with Board as per skill matrix -

Sl. No.	Name of Director	Industry knowledge/ experience	Technical skills/ experience	Behavioural Competencies
1.	Mr. Arun Bharat Ram*	b,d,e,f,g	b,e,f,g	a,b,c,d,e,f,h,i
2.	Mr. Ashish Bharat Ram	b,c,d,e,f,g	a,d,e,f,g	a,c,d,e,f,g,h,i
3.	Mr. Kartik Bharat Ram	b,d,e,f,g	c,d,e,f,g	a,b,c,d,e,f,h,i
4.	Mr. Lakshman Lakshminarayan	b,c,d,e,f,g	a,b,c,f	a,b,e,f,g,i
5.	Mr. Vellayan Subbiah	a,b,c,d,e,f,g	a,b,e,f	a,c,d,e,f,g,h
6.	Mr. Tejpreet S Chopra	b,c,d,f,g	d,e,f,g	a,c,d,e,f,g,h
7.	Mr. Pramod G. Gujarathi	b,c,f,g	b,d,	a,b,c,f,g
8.	Mrs. Bharti Gupta Ramola	a,c,d,e,g	a,d,f,g	a,c,d,f,g,h
9.	Mr. Puneet Yadu Dalmia	b,c,d,e,f,g	a,b,e,f	a,b,c,d,e,f,i
10.	Mr. Yash Gupta	a,d,e,f,g	a,c,e,f,g	a,b,c,d,e,f,h

*Mr. Arun Bharat Ram ceased to be Director from the closing of business hours on March 31, 2022 and was appointed as “Chairman Emeritus” wef April 1, 2022.

Certificate from M/s. Rohit Parmar & Associates, Practising Company Secretary (Registration No. 22137) dated April 28, 2022, 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 the Company by the SEBI/ Ministry of Corporate Affairs or any such Statutory Authority as stipulated under Regulation 34(3) of the Listing Regulations, is attached to this Report.

Independent Directors on the Board are Non-Executive Directors

Our definition of ‘Independence’ of Directors is derived from Regulation 16 of Listing Regulations, and Section 149(6) of the Companies Act, 2013. Based on the

confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors are Independent in terms of Regulation 16 of Listing Regulations and Section 149(6) of the Companies Act, 2013.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Companies Act and Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the

declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

None of the Directors on the Board holds directorships in more than ten public companies. None of our Directors serve as a director/ independent director on more than seven listed entities. None of our Directors who is serving as whole time Director/Managing Director in any listed entity is holding position of independent director in more than three listed entities. None of the Directors is a member of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

Independent Directors' Meeting

In accordance with the applicable provisions of Companies Act, 2013 and Listing Regulations, a

meeting of the Independent Directors of the Company was held on January 25, 2022, without the attendance of Non-Independent Directors and members of the management.

Familiarisation Programme

Your Company has put in place familiarisation programme for all its Directors including the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc and the familiarisation programme for the Independent Directors is available on the website of the Company at the link <https://www.srf.com/investors/corporate-governance/>

Number of Board Meetings

During 2021-22, the Board of Directors met seven times on the dates as referred below in Table 2.

Table 2: Attendance of directors in Board Meetings and Annual General Meeting (AGM) held during the year in 2021-22

Name of the Director	Date of Board Meeting and Attendance of Directors							Date of AGM and Attendance of Directors
	May 5, 2021	July 28, 2021	August 31, 2021	October 15, 2021	October 25, 2021	January 25, 2022	March 28, 2022	August 31, 2021
Mr. Arun Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ashish Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Kartik Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Pramod G Gujarathi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Tejpreet S Chopra	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Lakshman Lakshminarayan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Vellayan Subbiah	Yes	Yes	No	Yes	Yes	Yes	Yes	No
Dr. Meenakshi Gopinath*	Yes	Yes	NA	NA	NA	NA	NA	NA
Mrs. Bharti Gupta Ramola	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Mr. Puneet Yadu Dalmia	Yes	No	Yes	Yes	Yes	Yes	No	Yes
Mr. Yash Gupta	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

*Dr Meenakshi Gopinath ceased to be Director – CSR wef 31.08.2021.

Remuneration of Directors

Table 3 gives the remuneration paid or payable to the Directors of SRF Limited for financial year 2021-22 and table 4 gives details of Service Contracts

Table 3: Remuneration Paid or Payable

Sl. No	Name	Salary & Allowances	Sitting Fees	Perquisites	Provident Fund and Superannuation and leave encashment	Commission (Provided)/ Professional Fees	Total (₹ In Crores)
1	Mr Arun Bharat Ram	3.12		0.29	3.00	6.00	12.41
2	Mr Ashish Bharat Ram	4.86	-	1.28	0.61	6.00	12.76
3	Mr Kartik Bharat Ram	4.86	-	1.00	0.61	6.00	12.47
4	Mr Pramod G Gujarathi	0.21	-		0.01		0.22
5	Dr. Meenakshi Gopinath		0.01	-	-	0.06	0.06
6	Mr Tejpreet S Chopra	-	0.06	-	-	0.15	0.21
7	Mr L. Lakshman	-	0.04	-	-	0.15	0.19
8	Mr Vellayan Subbiah	-	0.04	-	-	0.15	0.19
9	Mrs. Bharti Gupta Ramola	-	0.04	-	-	0.15	0.19
10	Mr. Puneet Dalmia	-	0.036	-	-	0.15	0.19
11	Mr Yash Gupta	-	0.062	-	-	0.15	0.21
Total		13.05	0.29	2.57	4.23	18.96	39.10

The Nomination and Remuneration Committee has laid down criteria for making payments to non-executive directors, which inter alia, includes level of remuneration /commission payable by other comparable companies, time devoted, experience, providing guidance on strategic matters and such other factors as it may deem fit.

The non-executive directors are entitled to remuneration up to an aggregate limit of one percent per annum of the net profits of the Company. Within the aforesaid limit, the commission payable is determined by the Board and equal amount of commission is payable to all the Independent Non-Executive Directors in accordance with the NRC Policy. For the year under review, remuneration to non-executive directors was approved by the Board of Directors with the interested non-executive directors, not participating or voting in the resolution.

Table 4: Details of Service Contracts

Name of Director	Tenure	Notice Period	Severance Fee
Mr. Ashish Bharat Ram	5 years w.e.f. May 23, 2020	3 months by either party	As per the provisions of the Companies Act, 2013
Mr. Kartik Bharat Ram	5 years w.e.f June 01, 2021	3 months by either party	As per the provisions of the Companies Act, 2013
Mr. Pramod Gopaldas Gujarathi	3 years w.e.f. April 01, 2020	1 month by either party	Nil

Shareholding of Non-Executive Directors

Table 5 gives details of the shares held by the non-executive Directors as on March 31, 2022.

Table 5: Equity Shares held by Non-Executive Directors as on March 31, 2022

Name of Director	Category	Number of Equity Shares Held
Mr. Tejpreet S Chopra	Independent	3,335
Mr. Lakshman Lakshminarayan	Independent	-
Mr. Vellayan Subbiah	Independent	67,035
Mrs. Bharti Gupta Ramola	Independent	-
Mr. Puneet Yadu Dalmia	Independent	-
Mr. Yash Gupta	Independent	1,000

The Company has not issued any convertible securities to any Director

Information Supplied to the Board

The Board has complete access to all information with the Company. Inter-alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting:

- Annual operating plans and budgets and any update thereof
- Capital budgets and any updates thereof
- Quarterly results of the Company and operating divisions and business segments
- Minutes of the meetings of the audit committee and other committees of the Board
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary
- Materially important show cause, demand, prosecution notices and penalty notices
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company

- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

In addition to the above, pursuant to the Listing Regulations the minutes of the Board meetings of your Company's unlisted subsidiary companies and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board.

Code of Conduct

The Company's Board has laid down a Code of Conduct for all Board members and senior management of the Company. The Code of Conduct is available on the website of the Company, <https://www.srf.com/investors/corporate-governance/>. All Board members and designated senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

Risk Management

The Company has laid down procedures to inform the Board members about the risk assessment and minimisation procedures. These procedures are being periodically reviewed to ensure that management controls risk through means of a properly defined framework.

Statutory Committees of the Board

a) Audit Committee

i) Terms of Reference

The terms of reference of the Audit Committee are wide enough covering the matters as per the guidelines set out in the Listing Regulations read with Section 177 of the Companies Act, 2013. These broadly includes approval of annual internal audit plan, review of financial reporting systems, ensuring compliance with regulatory guidelines, discussions on quarterly, half yearly and annual financial results, interaction with statutory, internal and cost auditors, recommendation for appointment, remuneration and term of auditors, examination of financial statements and auditors' report thereon, review the functioning of the Whistle Blower Mechanism, review and monitor the auditor's independence and performance and effectiveness of audit process, approval or any subsequent modification of transactions of the Company with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the company, wherever it is necessary, evaluation of internal financial controls and risk management systems, reviewing with the management adequacy of internal

control system and reviewing the utilization of loan and/ or advances from/ investment by the holding company in the subsidiary company exceeding prescribed limit.

In addition, the Committee also mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee, and
- 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).

ii) Composition of Audit Committee and Attendance of members in Audit Committee Meeting held during the year

As on March 31, 2022, the Audit Committee of SRF comprised of three Directors all of whom are independent, namely Mr. Lakshman Lakshminarayan as Chairman, Mr. Vellayan Subbiah and Mrs. Bharti Gupta Ramola as members. The constitution of the Committee meets the requirements of Section 177 of the Companies Act, 2013, as

well as Regulation 18 of Listing Regulations. All the members of the Audit Committee are financially literate. Chairman, Managing Director, Deputy Managing Director, CFO, Internal Auditors and Statutory Auditors are invitees to the Committee. Company

Secretary of the Company acts as Secretary to the Committee.

Table 6 provides details of the Audit Committee meetings held during the year 2021-22 and attendance of its members.

Table 6: Attendance Record of Audit Committee Meetings during 2021-22

Name of Members	Category	Date of Audit Committee Meeting and Attendance of Members			
		May 5, 2021	July 28, 2021	October 25, 2021	January 25, 2022
Mr. Lakshman Lakshminarayan (Chairman)	Independent, Non-Executive	Yes	Yes	Yes	Yes
Mr. Vellayan Subbiah	Independent, Non-Executive	Yes	Yes	Yes	Yes
Mrs. Bharti Gupta Ramola	Independent, Non-Executive	Yes	Yes	Yes	Yes

b) Nomination and Remuneration Committee

i) Terms of Reference :

The terms of reference of the Committee are wide enough covering the matters specified in Listing Regulations and the Companies Act, 2013 and Terms of reference of the Committee briefly are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- Formulation of criteria for evaluation of Independent Directors and the Board
- Devising a policy on Board diversity.
- Formulation of policies for remuneration to Directors, Key Managerial Personnel, Senior Management Personnel and other Employees.
- Identification and recommendation to Board of persons who are qualified to become Directors, Key Managerial Personnel and, Senior Management Personnel and in accordance with the criteria laid down.
- Recommend to the Board on appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel

- Evaluation of the performance of Directors (other than independent directors).
- Evaluation of the performance of independent directors and make recommendations to Board.
- To oversee succession planning for Board of Directors, Key Managerial Personnel and Senior Management Personnel
- Formulation of criteria for making payment to Non-Executive Directors
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

ii) Composition of Nomination and Remuneration Committee and Attendance of members in the meetings of the Nomination and Remuneration Committee held during the year

As on March 31, 2022, this Committee comprised of three Directors, all of whom are independent, namely Mr. Tejpreet S Chopra (Chairman), Mr. Yash Gupta and Mr. Puneet Yadu Dalmia as Members. The constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013.

Table 7 provides details of the Nomination and Remuneration Committee meetings held during the year 2021-22 and attendance of its members.

Table 7: Attendance Record of Nomination and Remuneration Committee Meetings during 2021-22

Name of Members	Category	Date of NRC Meeting and Attendance of Members			
		October 22, 2021	November 1, 2021	January 19, 2022	March 21, 2022
Mr. Tejpreet S Chopra (Chairman)	Independent, Non-Executive	Yes	No	Yes	Yes
Mr. Puneet Yadu Dalmia	Independent, Non-Executive	Yes	Yes	Yes	Yes
Mr. Yash Gupta	Independent, Non-Executive	Yes	Yes	Yes	Yes

iii) Annual Evaluation of Board, Committees and Individual Directors

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and as per the Nomination, Appointment and Remuneration Policy, the Board of Directors/ Independent Directors/Nomination & Remuneration Committee ("NRC") (as applicable) had undertaken an evaluation of the Board's own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

Performance evaluation of independent directors is done by the Nomination and Remuneration Committee on criteria more particularly described in the Nomination, Appointment and

Remuneration Policy, a copy of which is attached as Annexure I to the Board Report.

Based on the recommendations of the NRC, the Board of Directors decide to continue their appointment or consider them for reappointment, as applicable.

iv) Nomination, Appointment and Remuneration Policy

The Company's Nomination, Appointment and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Personnel forms part of the Board's Report and is also accessible on Company's website www.srf.com.

c) Stakeholders Relationship Committee

As on March 31, 2022, this Committee comprised four Directors—two executive Directors and two non-executive Directors, namely Mr. Tejpreet S Chopra, Independent Director is Chairman, Mr. Yash Gupta, Independent Director and Mr. Ashish Bharat Ram & Mr. Kartik Bharat Ram Executive Directors are members of the Committee.

Table 8 provides details of the Stakeholders Relationship Committee meetings held during the year 2021-22 and attendance of its members.

Table 8: Attendance Record of Stakeholders Relationship Committee Meetings during 2021-22

Name of Members	Category	Date of Stakeholders Relationship Committee Meeting and Attendance of Members									
		12-Apr-2021	28-Apr-2021	22-Jun-2021	03-Aug-2021	16-Sep-2021	11-Oct-2021	25-Oct-2021	22-Dec-2021	31-Jan-2022	21-Mar-2022
Mr. Tejpreet S Chopra (Chairman)	Non-Executive, Independent	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ashish Bharat Ram	Executive, Promoter	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Kartik Bharat Ram	Executive, Promoter	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Yash Gupta	Non-Executive, Independent	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Mr. Rajat Lakhanpal, VP (Corporate Compliance) & Company Secretary is Compliance Officer under Listing Regulations.

As on March 31, 2021, no investor complaint was pending with the Registrar and Share Transfer Agent. Table 9 gives data on the shareholder/investor complaints received and redressed during the year 2021-22.

Table 9: Shareholder and Investor Complaints received and redressed during 2021-22

Total Complaints Received	Total Complaints Redressed	Complaints not solved to the satisfaction of Shareholders	Pending as on March 31, 2022
394	394	Nil	Nil

d) Corporate Social Responsibility Committee

As on March 31, 2022, this Committee comprised of four Directors —Mr. Kartik Bharat Ram (Chairman), Mr. Arun Bharat Ram, Mr. Lakshman Lakshminarayan and Mr. Yash Gupta (appointed wef 25.10.2021) as members. The constitution of the Committee meets the requirements of Section 135 of the Companies Act, 2013. Dr. Meenakshi Gopinath ceased to be Director wef 31.08.2021 and consequently ceased to be Chairperson of CSR Committee.

The terms of reference of the Committee in line with the requirements of the Section 135 of the Companies Act, 2013 and the rules framed thereunder. No Meeting of CSR Committee held during the year 2021-22.

e) Risk Management Committee

As on March 31, 2022, this Committee comprised of three Directors— Mr. Ashish Bharat Ram as Chairman, Mr. Kartik Bharat Ram and Mrs. Bharti Gupta Ramola as Members. The composition of the Committee is in conformity with Regulation 21 of the Listing Regulations.

As on March 31, 2022, brief description of terms of reference of Risk Management Committee interalia includes the following:

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly,

ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

- (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
- (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Table 11 provides details of the Risk Management Committee meetings held during the year 2021-22 and attendance of its members.

Table 11: Attendance Record of Risk Management Committee Meeting during 2021-22

Name of Members	Category	Date of meeting and Attendance of Director December 27, 2021
Mr. Ashish Bharat Ram (Chairman)	Executive, Promoter	Yes
Mr. Kartik Bharat Ram	Executive, Promoter	Yes
Mrs. Bharti Gupta Ramola	Independent, Non-Executive	Yes

The Company has held one meeting of the Risk management committee during the current financial year as per the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing regulations') read with notification no. SEBI/LAD-NRO/GN/2021/22 dated 5 May 2021 ('Notification'). Based on the requirements of the Listing regulations and the

Notification, the Company would be holding two risk management committee meetings from calendar year 2022 onwards.

f) Committee of Directors – Financial Resources

As on March 31, 2022, this Committee comprised of three Directors— Mr. Arun Bharat Ram, Mr. Ashish Bharat Ram and Mr. Kartik Bharat Ram all of whom are executive directors.

Table 12 provides details of the Committee of Directors- Financial Resources meetings held during the year 2021--22 and attendance of its members.

Name of Members	Date of Committee of Directors- Financial Resources Meeting and Attendance of Members								
	1-Jun-2021	28-Jul-2021	03-Sep-2021	08-Oct-2021	09-Nov-2021	03-Dec-2021	24-Dec-2021	25-Jan-2022	18-Feb-2022
Mr. Arun Bharat Ram	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ashish Bharat Ram	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes
Mr. Kartik Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Management

Management Discussion and Analysis

This is given as a separate chapter in this Annual Report.

Disclosure Requirements

- During the year 2021-22, the Company had no materially significant related party transactions. Transactions with related parties are disclosed in Note No 32 to the Financial Statements. The Company has policies on materiality of Related Party Transactions and on dealing with Related Party Transactions. The said policies are available on the website of the Company at <https://www.srf.com/investors/corporate-governance/>. Policy of determining 'material

subsidiaries' is available on the website of the Company at <https://www.srf.com/investors/corporate-governance/>

- The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. The Company has complied with all the applicable requirements of capital markets and no penalties or strictures have been imposed on the Company by Stock Exchange(s), SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.
- Vigil Mechanism Policy : Section 177 (9) of the Companies Act, 2013 and Regulation 22 of Listing Regulations requires that a Company shall have a

vigil mechanism for directors and employees for reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Vigil Mechanism Policy of the Company includes Code of Conduct for Directors and Senior Management Personnel, Code of Conduct for employees, Policy against sexual harassment, Whistle blower Policy and Code of Conduct for Prevention of Insider Trading. The Company is following such a policy and crux of which is disclosed by the Company on its website at <https://www.srf.com/investors/corporate-governance/>. No personnel has been denied access to the Audit Committee for raising his/her concern under this policy during financial year 2021-22.

- The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 (as applicable) and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations
- This Corporate Governance Report of the Company for the year 2021-22 is in compliance with the requirements of Listing Regulations, as applicable.

Non-Mandatory Requirement

The status of adoption of the non-mandatory requirements as specified in sub – regulation 1 of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

- (a) The Board :** The Chairman of the Company is Executive Chairman; **(b) Shareholder Rights:** Half-yearly and other quarterly financial statements are published in newspapers and uploaded on Company's website www.srf.com. **(c) Modified opinion(s) in audit report:** The Company already has in place a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements; and **(d) Reporting of Internal Auditor:** The Internal Auditor of the Company reports to the President & CFO of the Company and has direct access to the Audit Committee.

CEO/CFO certification

The Certificate in compliance with Regulation 17(8) of Listing Regulations was placed before the Board of Directors.

Appointment/ Reappointment/Resignation of Directors

Dr. Meenaskhi Gopinath, Director CSR was retiring by rotation in 50th Annual General Meeting and had expressed her intention not to seek re-appointment. She retired at 50th Annual General Meeting held on 31.08.2021 and ceased to be Director of the Company.

Mr. Arun Bharat Ram, Executive Chairman ceased to be the Director of the Company from the closing of business hours on March 31, 2022 and was appointed as Chairman Emeritus of the Company for a term of five years with effect from April 1, 2022.

Mr. Ashish Bharat Ram was redesignated as Chairman and Managing Director and Mr. Kartik Bharat Ram redesignated as Joint Managing Director wef 01.04.2022.

Mr. Vellayan Subbiah was appointed as Non-Executive Independent Director by members at the Annual General Meeting held on August 07, 2018 for the period of 5 years commencing from April 01, 2019 upto March 31, 2024. The Board was of the view that it would be to the benefit of the Company if his experience and wisdom would continue to be utilized by the Board and management on a long-term basis. Accordingly, a proposal to appoint him as a non-independent and non-executive director on the Board was discussed with him and he graciously agreed to step down as an independent director and resigned from the closing of Business hours of May 9, 2022 and was appointed as Additional non-independent and non-executive director, liable to retire by rotation, w.e.f May 10, 2022.

Mr. Raj Kumar Jain, was appointed as an Additional Independent Director w.e.f May 9, 2022 subject to approval by the shareholders at this annual general meeting. Further, he was also appointed as member of Audit Committee w.e.f May 10, 2022.

Means of Communication with Shareholders

Quarterly and annual results of SRF are published in two major national dailies, generally Business Standard / Financial Express (in English) and Jansatta (in Hindi). In addition, these results are posted on the website of the Company, www.srf.com. The website also contains other information regarding SRF available in the public domain.

SRF communicates with its institutional shareholders through analysts briefing and individual discussions between the fund managers and the management team. The presentations made to analysts and funds managers are posted on the Company's website.

General body meetings

Last three Annual General Body Meetings

The details of the last three AGMs are given in Table 14.

Table 14 : Last three AGMs of the Company

Year	Location	Date	Time	No. of Special Resolutions Passed
2018-19	Laxmipat Singhanian Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	August 5, 2019	3.30 P.M.	2
2019-20	Video Conferencing. Deemed Venue- The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091	August 17, 2020	11.00 A.M.	2
2020-21	Video Conferencing. Deemed Venue- The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091	August 31, 2021	11.00 A.M.	1

Postal Ballot

During the year the Company had passed One special and One ordinary Resolution for change in share capital clause of Memorandum of Association and Issuance of Bonus shares respectively as per following details :

Date of Postal Ballot Notice : August 31, 2021	Voting period : September 7, 2021 to October 6, 2021
Date of approval : October 6, 2021	Date of declaration of result : October 6, 2021

Sl. No.	Name of the resolution	Type of resolution	No. of votes polled	Votes cast in favour No. of votes	%	Votes cast against No. of votes	%
1	Approval for cancellation of unissued portion of authorized preference share capital and corresponding increase in authorised equity share capital of the Company and consequent alteration of the Memorandum of Association	Special	45268341	45266961	99.9970	1380	0.0030
2	Issue of Bonus Shares	Ordinary	45268624	44646020	98.6246	622604	1.3754

Procedure for Postal Ballot In compliance with Listing Regulations and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs for holding general meetings/conducting postal ballot process through e-voting vide General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020 and 10/2021 dated June 23, 2021 ("MCA Circulars"), the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company has availed E-voting facility offered by KFin Technologies Private Limited (R&T Agent of the Company) for conducting e-voting by members of the Company and as permissible under the Act, notices to the shareholders were sent through e-mail whose e-mail ids were registered with depository participants and Registrar and Transfer Agent. The Company has also provided option for e-voting to those shareholders, who held shares in Physical form. In compliance with the requirements of the MCA Circulars, hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope were not sent to the shareholders for this Postal Ballot and shareholders were requested to communicate their assent/dissent through the remote e-voting system only. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements and procedure for registration of the email address as mandated under the Act and applicable Rules and recent circulars.

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 were entitled to exercise their votes by electronic mode only and were requested to vote before close of business hours on the last date of e-voting. The scrutinizer submitted his report to Mr. Rajat Lakhnpal, VP (Corporate Compliance) & Company Secretary (who was duly authorised by the Chairman in this regard), after the completion of scrutiny, the results of the voting by postal ballot were then announced by him. The results were also displayed on the website of the Company, www.srf.com, besides being communicated to the stock exchanges, depositories

and registrar and share transfer agent. The date of passing of the resolutions was 06.10.2021 i.e. last date of voting and date of declaration of the results was 06.10.2021.

Additional Shareholder Information

51st Annual General Meeting

Day: Thursday

Date: July 21, 2022

Time: 11.00 A.M.

Mode: Video Conferencing

Venue: The Company is conducting meeting through VC / OAVM pursuant to the Ministry of Corporate Affairs ("MCA"), vide Circular No. 14/2020 dated April 8 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 5, 2020 read together Circular No. 02/2021 dated January 13, 2021 and Circular No. 2/2022 dated May 5, 2022 (collectively referred to as 'MCA Circulars') and SEBI vide its circular dated May 12, 2020, January 15, 2021 and May 13, 2022 (collectively referred to as 'SEBI Circulars') and deemed venue for meeting will be Registered Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091 For details please refer to the Notice of this AGM.

Financial Year

April 1 to March 31

Tentative Financial Calendar for Results, 2022-23

First Quarter Third week of July 2022

Second Quarter First week of November 2022

Third Quarter Last week of January 2023

Fourth Quarter and Annual Second week of May 2023

Interim Dividend Payment Date

During the financial year 2021-22, the Company has issued Bonus Shares on October 15, 2021 in the ratio of 4:1. Two interim dividends of ₹ 12 (120%) pre-Bonus and ₹ 4.75 per share (47.5%) post-bonus on the paid up capital of the Company absorbing ₹ 211.89 Crores approx. were paid on August 25, 2021 and February 23, 2022 respectively.

Unclaimed Shares Suspense Account

Issue of 23,69,80,820 Bonus shares of ₹ 10 each fully paid up in the ratio of 4:1 was approved by the shareholders through postal ballot on October 06, 2021 and allotted by the Board of Directors at its meeting held on October 15, 2021. Physical share certificates which were returned undelivered are lying as unclaimed with the Registrar & Transfer Agent of the Company (RTA).

Pursuant to the requirements of Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (dealing with unclaimed shares in the physical form), 1st Reminder letter was sent to the shareholders on 25.03.2022, requesting them to claim the shares lying with the Company as unclaimed by submitting the relevant documents. The Company shall transfer the unclaimed shares to "Unclaimed Suspense Account" opened with a depository in compliance with the listing regulations in due course of time.

List of Credit Ratings

Instrument	Rating Agency	Rating	Outlook
Fund Based and Non-Fund Based Limits	India Ratings	IND AA+/Stable/IND A1+	Stable
Fund Based and Non-Fund Based Limits	CRISIL	CRISIL AA+/Stable/ CRISIL A1+	Stable
Long Term Loans	India Ratings	IND AA+/Stable	Stable
Long Term Loans	CRISIL	CRISIL AA+/Stable	Stable
Commercial Papers	India Ratings	IND A1+	Stable
Commercial Papers	CRISIL	CRISIL A1+	Stable
Non-Convertible Debentures	CRISIL	CRISIL AA+/Stable	Stable

During the year under review there is no revision in Credit Rating.

Listing on Stock Exchanges in India

SRF's shares are listed on the BSE and the NSE and debentures are listed on NSE. The Company has paid the listing fee to both BSE and NSE for the year 2021-22. The Stock Codes are:

Stock Exchanges	Equity Shares	Debentures
BSE Limited 25 th Floor, P.J. Towers Dalal Street, Mumbai 400 001	503806	
National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex Bandra (E) Mumbai 400 051	SRF	SRF 22

Details of Total fees paid to Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part

B S R & Co. LLP, Chartered Accountant who are the Statutory Auditors of the Company are a part of B S R & Associates network. During financial year 2021-22, total fees paid by the Company and its subsidiaries on a consolidated basis to B S R & Co. LLP, Chartered Accountant and all entities forming part of B S R & Associates network is ₹ 1.34 Crores (excluding out of pocket expenses).

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year 2021-22

No. of complaints filed during the financial year	3
No. of complaints disposed off during the financial year	3
No. of complaints pending as on the end of the financial year	0

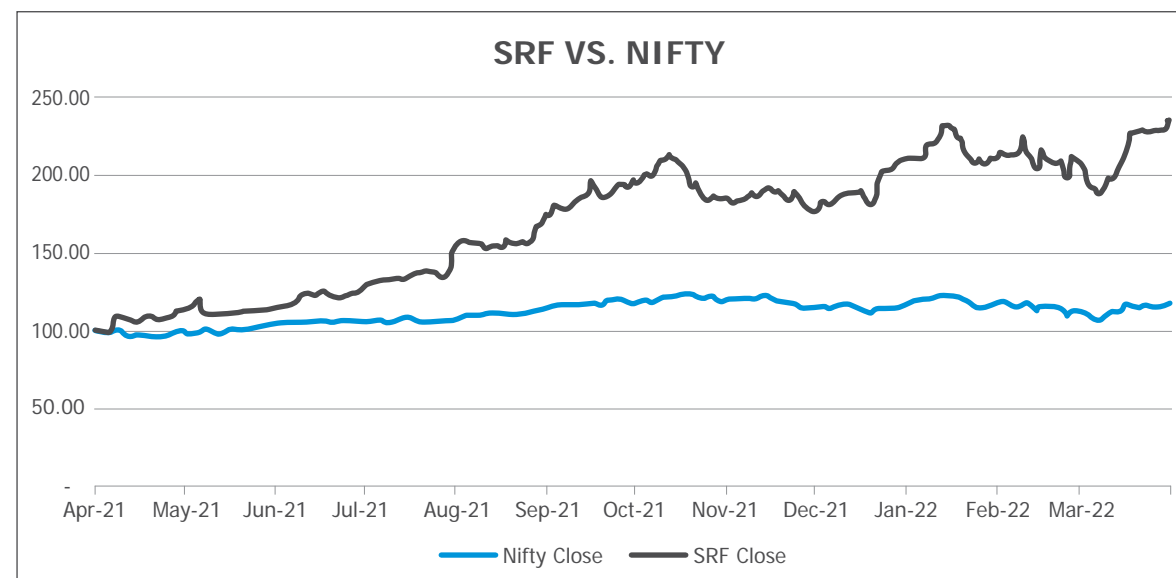
Stock Market Data

Table 15 gives the monthly high and low quotations as well as the volume of shares traded at BSE and NSE during 2021-22.

Table 15: Monthly Highs and Lows and Volumes Traded at the BSE and NSE during 2021-22

Month	BSE			NSE		
	Highest Price (₹)	Lowest Price (₹)	Volume (No.)	Highest Price (₹)	Lowest Price (₹)	Volume (No.)
Apr-21	6,588.85	5,410.00	2,04,093	6,590.00	5,436.05	46,56,564
May-21	6,986.05	6,200.00	2,24,868	6,999.00	6,181.20	56,04,063
Jun-21	7,307.25	6,468.50	1,52,384	7,310.00	6,461.70	33,24,618
Jul-21	8,720.20	7,250.00	2,19,835	8,724.80	7,251.00	43,41,681
Aug-21	10,354.25	8,649.95	2,86,979	10,345.00	8,610.00	63,00,785
Sep-21	11,409.00	9,826.00	3,11,288	11,378.20	9,825.10	65,87,490
Oct-21	12,599.95	2,060.00	11,84,862	12,600.00	2,065.00	1,98,56,836
Nov-21	2,250.00	1,975.00	12,84,450	2,249.95	1,973.10	4,27,19,655
Dec-21	2,427.25	1,994.05	8,42,491	2,428.15	1,994.00	1,86,65,096
Jan-22	2,679.00	2,271.45	8,08,197	2,680.00	2,268.55	1,80,13,956
Feb-22	2,610.55	2,258.80	7,62,363	2,611.85	2,259.25	1,37,11,734
Mar-22	2,734.00	2,106.35	6,66,462	2,734.60	2,106.00	1,86,37,731

Chart 1: Share prices of Nifty versus SRF Limited for the year ended March 31 2022



Note 1: Both Nifty and SRF share prices are indexed to 100 as on April 1, 2021

Note 2: The shares traded during the period April 1, 2021 to October 12, 2021 have been indexed to post bonus share issue quantum.

Registrar and Share Transfer Agents

M/s KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), Hyderabad are the Registrar and Share Transfer Agent of the Company for handling both electronic and physical shares.

Share Transfer System

As per SEBI Notification No. SEBI/LAD-NRO/ GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/ GN/2018/49 dated November 30, 2018 request for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in dematerialized form with the depositories. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LADNRO/ GN/2022/66 dated January 24, 2022) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Transmission, Transposition etc).

Depository System

Shareholders can trade in the Company's shares only in electronic form. The process for getting the shares de-materialised is as follows:

- Shareholder submits the shares certificate along with De-materialisation Request Form (DRF) to Depository Participant (DP)

- DP processes the DRF and generates a unique De-materialisation Request No
- DP forwards the DRF and share certificates to the Registrar and Share Transfer Agent (RTA)
- RTA after processing the DRF confirms or rejects the request to Depositories
- If confirmed by the RTA, depositories give the credit to shareholder in his /her account maintained with DP

This process takes approximately 10-15 days from the date of receipt of DRF.

As the trading in the shares of the Company can be done only in the electronic form, it is advisable that the shareholders who have the shares in physical form get their shares dematerialised.

Dematerialisation of Shares & Liquidity

As on March 31, 2022, out of 29,64,21,025 Equity Shares of ₹ 10/- each, 29,29,07,644 shares (98.81%) were held in electronic form by 2,13,171 shareholders and balance 35,13,381 shares (1.19%) were held by 7,660 shareholders in physical form.

Distribution of Shareholding as on March 31, 2022

Table 16 gives the distribution of shares according to shareholding class, while Table 17 gives the distribution of shareholding by ownership.

Table 16: Pattern of Shareholding by Share Class as on March 31, 2022

No. of Equity Shares held	No. of shareholders	% of Shareholders	No. of shares	% of Shareholding
Upto 500	207,300	93.86	9,664,526	3.26
501- 1000	5,830	2.64	4,470,123	1.51
1001- 2000	3,841	1.74	5,573,306	1.88
2001- 3000	1,404	0.64	3,503,591	1.18
3001- 4000	566	0.26	1,998,960	0.67
4001- 5000	397	0.18	1,860,178	0.63
5001- 10000	612	0.28	4,410,269	1.49
10001& Above	881	0.40	264,940,072	89.38
Total	220,831	100.00	296,421,025	100.00

Table 17: Pattern of Shareholding by Ownership as on March 31, 2022

Sl. No	Category	Total Shares	% To Equity
1	PROMOTER COMPANIES	150,245,000	50.69
2	FOREIGN PORTFOLIO - CORP	58,080,039	19.59
3	RESIDENT INDIVIDUALS	36,551,391	12.33
4	MUTUAL FUNDS	24,622,097	8.31
5	Qualified Institutional Buyer	12,852,262	4.34
6	BODIES CORPORATES	3,862,208	1.30
7	NON RESIDENT INDIAN NON REPATRIABLE	3,572,357	1.21
8	I E P F	1,993,040	0.67
9	CLEARING MEMBERS	1,237,929	0.42
10	H U F	1,055,109	0.36
11	EMPLOYEES	611,089	0.21
12	NON RESIDENT INDIANS	565,839	0.19
13	INSURANCE COMPANIES	508,910	0.17
14	ALTERNATIVE INVESTMENT FUND	366,069	0.12
15	PROMOTERS	137,500	0.05
16	DIRECTORS	71,370	0.02
17	FOREIGN INSTITUTIONAL INVESTORS	29,743	0.01
18	BANKS	19,580	0.01
19	UNIT TRUST OF INDIA	17,265	0.01
20	TRUSTS	12,343	0.00
21	NBFC	9,879	0.00
22	FOREIGN NATIONALS	6	0.00
Total		296,421,025	100.00

@Including holdings by NSDL and CDSL

Outstanding GDRs/ ADRs/ Warrants or Any Convertible Instruments, Their Conversion Dates and Likely Impact on Equity

As on March 31, 2022, there were no outstanding GDRs/ ADRs/ Warrants or any convertible instruments

Commodity price risk or foreign exchange risk and hedging activities

During the year 2021-22, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. There is no direct hedgeable commodity risk that the Company has on any of its raw materials or finished products. Thus, the Foreign Exchange Risk Management Policy covers only net forex exposure on account of its imports and exports.

The details of foreign currency exposure are disclosed in the Note No. 38 to the Financial Statements.

Plant Locations

Business	Plant Locations
Technical Textiles Business	<ul style="list-style-type: none"> Manali Industrial Area, Manali, Chennai-600068, Tamil Nadu Industrial Area, Malanpur, Distt. Bhind-477116, MP Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi, Dist. Thiruvallur- 601 201, Tamil Nadu Viralimalai, Distt. Pudukottai - 621 316, Tamil Nadu Plot No. 12, Rampura, Ramnagar Road, Kashipur, Dist. Udham Singh Nagar-244713, Uttarakhand
Chemicals and Other Business	<ul style="list-style-type: none"> Village & P.O. Jhiwana, Tehsil Tijara, Distt. Alwar - 301 018, Rajasthan DII / I GIDC. PCPIR, GIDC Phase II, Tal Vagra, Vill. Dahej, Dist Bharuch-392130, Gujarat
Packaging Films Business	<ul style="list-style-type: none"> Plot No. 12, Rampura, Ramnagar Road, Kashipur, Dist. Udham Singh Nagar-244713, Uttarakhand Plot No. C 1-8, C 21-30, Sector 3, Indore Special Economic Zone, Pithampur, Dist. Dhar-454775, Indore, MP Plot No. 675, Industrial Area, Sector 3, Village Bagdoon, Pithampur, Dist. Dhar – 454775, Indore MP Plot No 3-A, Industrial Growth Sector Kheda, Kheda, Dist-Dhar, Madhya Pradesh, 454775

Address for Correspondence

Registered Office	Corporate Office	Registrar & Share Transfer Agent	Debenture Trustee
The Galleria, DLF Mayur Vihar, Unit No.236 & 237, Second Floor, Mayur Place, Mayur Vihar, Phase-I Extn., Delhi - 110091 Tel No.: (+ 91-11) 49482870 Fax No.:(+ 91-11) 49482900 E-mail : cs@srf.com	Block – C, Sector –45 Gurugram 122 003 Tel No.:(+ 91-124) 4354400 Fax No.: (+ 91-124) 4354500 E-mail : cs@srf.com	KFin Technologies Limited Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500032 E-mail : einward.ris@kfintech.com Website: https://www.kfintech.com Toll Free No. 1- 800-309-4001	Vistra ITCL (India) Limited Corporate Office : 602. 'A' Wing, The Qube, Hasan Pada Rd, Mittal Industrial Estate, Marol, Andheri-E, Mumbai 400059 Website: www.vistra.com Contact Person: Compliance Officer Tel No.: +91 22 69300000 Email: itclcomplianceofficer@vistra.com

Declaration Regarding Code of Conduct

I, Ashish Bharat Ram, Chairman & Managing Director of SRF Limited hereby declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended March 31, 2022.

Date: May 9, 2022
Place: Gurugram

Ashish Bharat Ram
Chairman & Managing Director

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
SRF Limited
The Galleria, DLF Mayur Vihar,
Unit No. 236 & 237, 2nd Floor, Mayur Place,
Mayur Vihar Phase I Extension, New Delhi-110091

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SRF Limited having CIN L18101DL1970PLC005197 and having registered office at the Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extension, New Delhi-110091 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2022, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in the Company*
1.	Mr. Arun Bharat Ram**	00694766	01/08/1975
2.	Mr. Ashish Bharat Ram	00671567	23/05/2005
3.	Mr. Kartik Bharat Ram	00008557	14/11/2006
4.	Mr. Lakshman Lakshminarayan	00012554	11/11/2011
5.	Mr. Puneet Yadu Dalmia	00022633	01/04/2019
6.	Mr. Yash Gupta	00299621	01/04/2019
7.	Mr. Tejpreet Singh Chopra	00317683	21/09/2011
8.	Mrs. Bharti Gupta Ramola	00356188	04/02/2019
9.	Mr. Pramod Gopaldas Gujarathi	00418958	01/04/2017
10.	Mr. Vellayan Subbiah	01138759	01/05/2012

*The date of appointment is as per the MCA Portal.

**Mr. Arun Bharat Ram, resigned as Executive Chairman of the Company w.e.f April 01, 2022.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my 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.

Rohit Parmar
Rohit Parmar & Associates
Company Secretaries
ACS No.: 54442, C.P. No.: 22137
UDIN: A054442D000226328

Place: New Delhi
Date: April 28, 2022

Independent Auditor's Report

To the Members of SRF Limited

**Report on the Audit of the Standalone
Financial Statements**

Opinion

We have audited the standalone financial statements of SRF Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matter

Accounting for derivatives

The key audit matter	How the matter was addressed in our audit
An important element of Company's fund-raising strategy involves various types of borrowings including foreign currency denominated borrowings and a combination of fixed and floating interest rates, and also foreign currency denominated loans and advances to other parties. The Company's operating activities are also exposed to significant foreign exchange risk (refer to note 38 of the standalone financial statements).	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: <ul style="list-style-type: none"> Tested the design, implementation and operating effectiveness of controls over the Company's treasury and other related functions which directly impact the relevant account balances and transactions, including hedge accounting. For selected samples via statistical sampling, obtained external confirmations from counterparties of the year end positions as well as agreed to original agreements.
The Company uses derivative financial instruments to mitigate foreign currency risk and interest rate risk primarily through foreign currency forward exchange contracts and interest rate swaps.	

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our 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.

Accounting for derivatives

The key audit matter	How the matter was addressed in our audit
Further, the Company has been using hedge relationship designation as per criteria set out in relevant Indian accounting standards. Accounting thereof and related presentation and disclosures of these transactions require significant judgement.	<ul style="list-style-type: none"> – Performed sample tests of valuation and accounting of these transactions. In doing so we have involved valuation specialists to assist us in carrying out aforesaid procedure, as considered necessary.
Given the significant level of judgement and estimation involved and the quantitative significance, we have determined this to be a key audit matter.	<ul style="list-style-type: none"> – Assessed the adequacy of disclosures in the financial statements in respect of both non-derivative and derivative financial instruments.

Other Information

The Company’s Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the standalone financial statements and our auditor’s report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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. We have nothing to report in this regard.

Management’s and Board of Directors’ Responsibilities for the Standalone Financial Statements

The Company’s Management and Board of Directors are 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 accounting principles generally accepted in India, including the Indian Accounting Standards

(Ind AS) 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 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 standalone 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 control 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 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 the Management and Board of Directors.
- Conclude on the appropriateness of the 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.

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 Section 143 (11) of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, 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 purposes 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 specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone

financial statements - Refer Note 31 to the standalone financial statements.

- b) 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 - Refer Note 38 to the standalone financial statements.
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 41 (g) (viii) to the accounts, no funds 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, 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 on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 41 (g) (ix) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), 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.
- (iii) Based on the audit procedures that have been 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) contain any material mis-statement.
- e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Kaushal Kishore

Partner

Place: Gurugram
Date: 27 May 2022

Membership No.: 090075
UDIN: 22090075AJTEDQ5066

Annexure A to the Independent Auditor's Report on Standalone Financial Statements

With reference to the Annexure A referred to in the Independent Auditor's Report of even date to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified

in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value as at 31 March 2022 (₹ in Crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in the name of the Company/ Remarks
Land at Bharuch, Dahej, Gujarat	109.29 (carried cost)	Gujarat Industrial Development Corporation ('GIDC') at Dahej, Gujarat	No	From June 2009 onwards (by multiple allotment orders)	The execution of lease deed of land in respect of 1,165,437 square meters of leasehold land already allotted (out of a total of 1,181,776 square meters) to the Company is pending. We understand that, as a process agreed with GIDC, the same will be executed once the entire/ substantial portion of the above piece of land is allotted/ handed over to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventories, except goods-in-transit, have been physically verified by the management during the year. For goods-in-transit, subsequent evidence of receipts till date of the report has been linked with inventory records. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis

(a) Based on the audit procedures carried out by us and, as per the information and explanations given to us, the Company has provided loans, or stood guarantee, to any other entity as below:

Particulars	Guarantees (₹ Crores)	Loans (₹ Crores)
Aggregate amount during the year		
- Subsidiaries	190.84	230.20
- Others (Employees)	-	28.12
Balance outstanding as at the balance sheet date		
- Subsidiaries	1,614.94	565.72
- Others (Employees)	-	22.75

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made and guarantees provided during the year, and the terms and conditions of the grant of loans and guarantees provided during the year, are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the loan of ₹ 2.75 Crores

of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in, provided guarantees, and granted loans to companies and other parties, in respect of which the requisite information is as below. The Company has not made any investments in, provided guarantees and granted loans to firms or limited liability partnership.

given to SRF Altech Limited, which is repayable on demand. As informed to us, the Company has demanded repayment of the loan during the year and the same has been received during the year. The interest on this loan was not due during the year ended 31 March 2022. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, following instance of loan, falling due during the year, was settled by a fresh loan:

Name of the party	Aggregate amount settled by fresh loan	Percentage of the aggregate to the total loans granted during the year
SRF Global BV	₹ 227.45 Crores	88.05%

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company has not granted any loans, or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, except for the following loan to a related party as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act").

Particulars	Related Party
Loan repayable on demand	₹ 2.75 Crores
Percentage of loans granted to the total loans	1.06%

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion, the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, amounts
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount* (₹ Crores)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Excise Laws	Excise Duty	9.32	1993-2002	Upto Commissioner (Appeals)	None
Service Tax Laws	Service Tax	1.58	2006-15	Upto Commissioner (Appeals)	Customs, Excise & Service Tax Appellate Tribunal
		0.98	2008-12		
Customs Law	Customs Duty	1.27	2012-13	Supreme Court	Upto Commissioner (Appeals)
		0.27	2016-19	High Court	
		0.17	2002		
Sales Tax Laws	Sales Tax	0.34	2015-16	High Court	Sales Tax Appellate Tribunal
		4.97	1993-2017		
		7.68	1988-2017	Upto Commissioner (Appeals)	
Income Tax Laws	Income Tax	1.13	Assessment Year (AY) 1989-90	Supreme Court	Income Tax Appellate Tribunal
		22.66	AY 2016-17		
Goods & Service tax Laws	Goods & Services Tax	0.23	2017-18	Upto Commissioner (Appeals)	EPF Appellate Tribunal
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	0.21	2011-16		
		0.30	2011-13	Central Government Industrial Tribunal	

The following matters, which have been excluded from the above table, have been decided in favour of the Company but the department has preferred appeals at higher levels. The details are given below:

Name of the statute	Nature of the dues	Amount* (₹ Crores)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Laws	Income Tax	5.55	AY 2000-04	High Court	None
Central Excise Laws	Excise Duty	1.18	1994-95	High Court	Upto Commissioner (Appeals)
		2.24	1989-95		
Customs Law	Customs Duty	0.01	2012-13	Upto Commissioner (Appeals)	

*The amounts disclosed are net of payments and include interest and penalties, wherever applicable.

Also refer to note 31 of the standalone financial statements with regard to income tax demand raised subsequent to year-end.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has taken funds from the following entity to meet the obligations of its subsidiary as per details below:

Nature of fund taken	Name of lender	Amount involved	Name of the relevant subsidiary	Relationship	Nature of transaction for which funds utilised	Remarks, if any
Term Loan	HSBC Bank	₹ 227.45 Crores	SRF Global BV	Subsidiary	Repayment of loan due to SRF Limited	None

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any joint ventures or associate companies.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made

or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, other than ₹ 200 Crores which remained unutilised as at 31 March 2022 because the funds were received towards the end of the year. The Company has temporarily kept such unutilised balance in fixed deposits as at 31 March 2022.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act

has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, 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. Accordingly, 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. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and 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 standalone financial statements, 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 that the 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Kaushal Kishore

Partner

Place: Gurugram

Date: 27 May 2022

Membership No.: 090075

UDIN: 22090075AJTEDQ5066

Annexure B

to the Independent Auditors' report on the standalone financial statements of SRF Limited for the year ended 31 March 2022

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 Companies Act, 2013 (Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of SRF Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls 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 financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were established and maintained and whether 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 judgement, 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 financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to 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 controls with reference to financial statements include 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Kaushal Kishore

Partner

Place: Gurugram

Membership No.: 090075

Date: 27 May 2022

UDIN: 22090075AJTEDQ5066

Standalone Balance Sheet

as at March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	5,750.50	5,568.33
Right-of-use assets	37	255.35	216.76
Capital work-in-progress	2.1	1,617.04	436.13
Goodwill	3	-	0.62
Other intangible assets	4	108.13	109.88
Financial assets			
(i) Investments	5	92.82	87.76
(ii) Loans	6	410.05	346.70
(iii) Other financial assets	7	140.53	80.61
Non-current tax assets (net)	20	21.31	33.74
Other non-current assets	8	207.48	173.36
Total non-current assets		8,603.21	7,053.89
Current assets			
Inventories	9	1,750.88	1,286.70
Financial assets			
(i) Investments	5	316.74	412.52
(ii) Trade receivables	10	1,350.99	1,012.00
(iii) Cash and cash equivalents	11	319.64	86.72
(iv) Bank balances other than above	12	8.87	143.71
(v) Loans	6	178.42	281.48
(vi) Other financial assets	7	226.51	217.64
Other current assets	8	179.96	216.64
Total current assets		4,332.01	3,657.41
Assets classified as held for sale	40	3.00	-
TOTAL ASSETS		12,938.22	10,711.30
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	297.44	60.26
Other equity	14	7,327.36	6,235.01
Total equity		7,624.80	6,295.27
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	1,189.73	1,422.24
(ii) Lease liabilities	37	95.18	63.83
(iii) Other financial liabilities	19	153.53	0.54
Provisions	16	44.86	38.23
Deferred tax liabilities (net)	17	613.04	326.46
Total non - current liabilities		2,096.34	1,851.30

Standalone Balance Sheet (CONTD.)

as at March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Current liabilities			
Financial liabilities			
(i) Borrowings	15	1,585.17	1,152.84
(ii) Lease liabilities	37	20.66	13.80
(iii) Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		55.98	33.37
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,284.39	1,163.12
(iv) Other financial liabilities	19	148.15	109.08
Other current liabilities	21	107.56	75.79
Provisions	16	5.42	7.00
Current tax liabilities (net)	20	9.75	9.73
Total current liabilities		3,217.08	2,564.73
Total Liabilities		5,313.42	4,416.03
TOTAL EQUITY AND LIABILITIES		12,938.22	10,711.30

Summary of significant accounting policies

1B

See accompanying notes to the standalone financial statements

2 to 41

As per our report of even date attached For and on behalf of the Board of Directors

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration no.

101248W / W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place : Gurugram

Date : May 27, 2022

Ashish Bharat Ram

Chairman and Managing

Director

DIN - 00671567

Place : Gurugram

Date : May 09, 2022

Kartik Bharat Ram

Joint Managing Director

DIN - 00008557

Place : Gurugram

Date : May 09, 2022

Rahul Jain

President & CFO

Place : Gurugram

Date : May 09, 2022

Bharti Gupta Ramola

Director

DIN - 00356188

Place : Gurugram

Date : May 09, 2022

Rajat Lakhanpal

Vice President

(Corporate Compliance)

and Company Secretary

Place : Gurugram

Date : May 09, 2022

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I Revenue from operations	22	9,953.44	6,988.32
II Other income	23	135.31	63.30
III Total Income (I + II)		10,088.75	7,051.62
IV Expenses			
Cost of materials consumed	24.1	4,748.26	3,278.50
Purchases of stock-in-trade	24.2	137.27	60.49
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.3	(193.25)	(28.21)
Employee benefits expense	25	658.48	534.13
Finance costs	26	94.45	111.21
Depreciation and amortisation expense	27	419.23	383.60
Other expenses	28	2,069.27	1,401.93
Total Expenses (IV)		7,933.71	5,741.65
V Profit before tax (III - IV)		2,155.04	1,309.97
VI Tax expense	29		
Current tax		616.41	327.23
Deferred tax			
MAT credit entitlement		(25.27)	(5.38)
Others		56.89	63.06
Total tax expense		648.03	384.91
VII Profit for the year (V - VI)		1,507.01	925.06
VIII Other comprehensive income			
A Items that will not be reclassified to profit or loss			
(i)(a) Gain / (loss) of defined benefit obligation	14.2, 33.2	(7.30)	2.41
(i)(b) Income tax on item (i)(a) above	14.2, 30	2.55	(0.84)
B Items that will be reclassified to profit or loss			
(i)(a) Effective portion of gain / (loss) on hedging instruments in a cash flow hedge	14.3	39.99	132.33
(i)(b) Income tax on item (i)(a) above	14.3, 30	(13.03)	(46.24)

Standalone Statement of Profit and Loss (CONTD.)

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
(ii)(a) Cost of Hedging Reserve	14.10	1.48	0.95
(ii)(b) Income tax on item (ii)(a) above	14.10, 30	(0.45)	(0.33)
Total other comprehensive income for the year, net of taxes (A(i) + B(i+ii))		23.24	88.28
IX Total comprehensive income for the year (VII + VIII)		1,530.25	1,013.34
Basic and Diluted Earnings per equity share (in ₹)	36	50.86	31.33
Summary of significant accounting policies	1B		
See accompanying notes to the standalone financial statements	2 to 41		

As per our report of even date attached For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place : Gurugram
Date : May 27, 2022

Ashish Bharat Ram
Chairman and Managing
Director
DIN - 00671567
Place : Gurugram
Date : May 09, 2022

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557
Place : Gurugram
Date : May 09, 2022

Rahul Jain
President & CFO
Place : Gurugram
Date : May 09, 2022

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram
Date : May 09, 2022

Rajat Lakhanpal
Vice President
(Corporate Compliance)
and Company Secretary
Place : Gurugram
Date : May 09, 2022

Standalone Cash Flow Statement

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,155.04	1,309.97
Adjustments for:		
Finance costs	94.45	111.21
Interest income	(32.20)	(9.24)
Net gain on sale of property, plant and equipment	(3.09)	(0.39)
Net gain on financial assets measured at fair value through profit and loss	(7.06)	(25.45)
Credit impaired assets provided / written off	0.76	12.06
Depreciation and amortisation expense	419.23	383.60
Property, plant and equipment and inventory discarded / provided	18.83	3.36
Provision / liabilities no longer required written back	(2.59)	(11.42)
Net unrealised currency exchange fluctuation (gain) / loss	(21.27)	7.59
Employee share based payment expense	11.11	0.97
Stamp duty on purchase of investments	0.08	0.15
Adjustments for (increase) / decrease in operating assets :-		
Trade receivables	(331.15)	(274.12)
Inventories	(472.29)	(178.37)
Loans (current)	(1.04)	(1.04)
Loans (non-current)	(4.16)	(0.60)
Other assets (current)	44.44	49.92
Other assets (non-current)	(1.85)	(3.97)
Adjustments for increase / (decrease) in operating liabilities :-		
Trade payables	142.65	248.04
Provisions	5.05	6.32
Other liabilities (current)	(15.34)	22.01
Cash generated from operations	1,999.60	1,650.60
Income taxes paid (net of refunds)	(361.99)	(229.00)
Net cash generated from operating activities	1,637.61	1,421.60
B CASH FLOW FROM INVESTING ACTIVITIES		
Net sale / (purchases) of current investments	102.84	(188.57)
Stamp duty on purchase of investments	(0.08)	(0.15)
Purchase of non-current investments	(5.06)	-
Interest received	31.57	0.07
Bank balances not considered as cash and cash equivalents	104.84	(134.68)
Payment for purchase of property, plant and equipment, capital work-in-progress and other intangible assets	(1,575.85)	(853.05)
Proceeds from disposal of property, plant and equipment	14.95	4.06
Loans given to subsidiaries	(230.20)	(617.49)
Repayment of loans received from subsidiaries	277.41	-
Net cash used in investing activities	(1,279.58)	(1,789.81)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	0.20	750.00
Costs incurred on issue of shares	-	(11.99)
Proceeds from borrowings (Non-current)	455.36	1,294.04
Repayment of borrowings (Non-current)	(414.05)	(1,344.41)
Net proceeds / (repayment) from borrowings (Current)	157.22	(42.57)
Dividends on equity share capital paid	(211.74)	(140.78)
Repayment towards lease liability	(25.68)	(20.19)
Finance costs paid	(86.42)	(127.43)
Net cash (used in) / generated from financing activities	(125.11)	356.67
Net increase / (decrease) in cash and cash equivalents	232.92	(11.54)
Cash and cash equivalents at the beginning of the year	86.72	98.26
Cash and cash equivalents at the end of the year (Refer to note 11)	319.64	86.72

Standalone Cash Flow Statement (CONTD.)

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Notes:

- The cash flow statement has been prepared under indirect method as set out in Indian Accounting Standard-7 (Ind AS) on 'Statement of Cash Flows'.
- During the year, the Company paid in cash ₹ 21.75 Crores (Previous year: ₹ 10.18 Crores) towards corporate social responsibility (CSR) expenditure.
- The following table discloses changes in liabilities arising from financing activities, including both cash and non-cash changes:

Particulars	As at March 31, 2021	Cash flow from financing activities	Upfront fees amortised	Exchange fluctuation changes*	Finance cost#	Interim dividend declared	Lease liability recognised	Utilisation of securities premium	As at March 31, 2022
Equity share capital	60.26	0.20	-	-	-	-	-	236.98	297.44
Securities premium	736.25	-	-	-	-	-	-	(226.69)	509.56
Non-current borrowings *	1,812.82	41.31	1.48	(3.39)	-	-	-	-	1,852.22
Current borrowings^	762.26	157.22	-	3.20	-	-	-	-	922.68
Interest accrued	4.47	(86.42)	-	-	85.65	-	-	-	3.70
Lease liability	77.62	(25.68)	-	-	8.70	-	55.20	-	115.84
Dividend	6.57	(211.74)	-	-	-	211.89	-	-	6.72
Total	3,460.25	(125.11)	1.48	(0.19)	94.35	211.89	55.20	10.29	3,708.16

Particulars	As at March 31, 2020	Cash flow from financing activities	Upfront fees amortised	Exchange fluctuation changes*	Finance cost#	Interim dividend declared	Lease liability recognised	As at March 31, 2021
Equity share capital	58.50	1.76	-	-	-	-	-	60.26
Securities premium (net of issue expenses)	-	736.25	-	-	-	-	-	736.25
Non-current borrowings *	1,859.62	(50.37)	2.30	1.27	-	-	-	1,812.82
Current borrowings ^	804.80	(42.57)	-	0.03	-	-	-	762.26
Interest accrued	22.64	(127.43)	-	-	109.26	-	-	4.47
Lease liability	87.69	(20.19)	-	-	6.49	-	3.63	77.62
Dividend	6.04	(140.78)	-	-	-	141.31	-	6.57
Total	2,839.29	356.67	2.30	1.30	115.75	141.31	3.63	3,460.25

* including current maturities of long term borrowings

^ excluding current maturities of long term borrowings

including amount capitalised

See accompanying notes to the standalone financial statements 2 to 41

As per our report of even date attached For and on behalf of the Board of Directors

For **B S R & Co. LLP**

Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place : Gurugram
Date : May 27, 2022

Ashish Bharat Ram
Chairman and Managing
Director
DIN - 00671567
Place : Gurugram
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President & CFO
Place : Gurugram
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Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram
Date : May 09, 2022

Rajat Lakhanpal
Vice President
(Corporate Compliance)
and Company Secretary
Place : Gurugram
Date : May 09, 2022

Standalone Statement of Changes In Equity

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at March 31, 2020	58.50
Changes in equity share capital during the year	1.76
Balance at March 31, 2021	60.26
Changes in equity share capital during the year	237.18
Balance at March 31, 2022	297.44

(b) Other Equity

Particulars	Reserves and Surplus*					Items of other comprehensive income*					Total equity
	Capital reserve	General reserve	Capital redemption reserve	Securities premium	Debenture redemption reserve	Employee share based payment reserve	Retained earnings	Effective portion of cash flow hedge	Equity instrument through other comprehensive income	Cost of hedging reserve	
Balance at March 31, 2020	219.19	573.54	10.48	-	75.00	1.56	3828.76	(78.56)	(4.22)	-	4,625.75
Profit for the year	-	-	-	-	-	-	925.06	-	-	-	925.06
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	1.57	86.09	-	0.62	88.28
Total comprehensive income for the year	-	-	-	-	-	-	926.63	86.09	-	0.62	1,013.34
Payment of dividend ^	-	-	-	-	-	-	(141.31)	-	-	-	(141.31)
Employee share based payment expense	-	-	-	-	-	0.98	-	-	-	-	0.98
Transfer to debenture redemption reserve	-	-	-	-	-	-	(62.50)	-	-	-	(62.50)
Transfer to general reserve	-	-	-	-	(75.00)	-	-	-	-	-	(75.00)
Transfer from debenture redemption reserve	-	75.00	-	-	-	-	-	-	-	-	75.00
Transfer from retained earnings	-	-	-	-	62.50	-	-	-	-	-	62.50
Premium on issue of equity shares (net of issue expenses) ^	-	-	-	736.25	-	-	-	-	-	-	736.25
Balance at March 31, 2021	219.19	648.54	10.48	736.25	62.50	2.54	4551.58	7.53	(4.22)	0.62	6,235.01
Profit for the year	-	-	-	-	-	-	1,507.01	-	-	-	1,507.01
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(4.75)	26.96	-	1.03	23.24
Total comprehensive income for the year	-	-	-	-	-	-	1,502.26	26.96	-	1.03	1,530.25
Payment of dividend ^	-	-	-	-	-	-	(211.89)	-	-	-	(211.89)
Employee share based payment expense	-	-	-	-	-	10.91	-	-	-	-	10.91
Recognised / (released) on vesting of shares issued under employee share purchase scheme	-	-	-	10.29	-	(10.23)	-	-	-	-	0.06
Utilisation on issue of bonus equity shares	-	-	-	(236.98)	-	-	-	-	-	-	(236.98)
Balance at March 31, 2022	219.19	648.54	10.48	509.56	62.50	3.22	5841.95	34.49	(4.22)	1.65	7,327.36

* Refer note 14

^ Refer note 13.1

See accompanying notes to the standalone financial statements 2 to 41

As per our report of even date attached For and on behalf of the Board of Directors

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration no.

101248W / W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place : Gurugram

Date : May 27, 2022

Ashish Bharat Ram

Chairman and Managing

Director

DIN - 00671567

Place : Gurugram

Date : May 09, 2022

Rahul Jain

President & CFO

Place : Gurugram

Date : May 09, 2022

Kartik Bharat Ram

Joint Managing Director

DIN - 00008557

Place : Gurugram

Date : May 09, 2022

Bharti Gupta Ramola

Director

DIN - 00356188

Place : Gurugram

Date : May 09, 2022

Rajat Lakhanpal

Vice President

(Corporate Compliance)

and Company Secretary

Place : Gurugram

Date : May 09, 2022

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

1 Corporate Information, Significant Accounting Policies and Significant Accounting Judgements, Estimates and Assumptions

A CORPORATE INFORMATION

SRF Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's equity shares are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 and 237, Second Floor, Mayur Vihar Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110091. The Company's parent company is KAMA Holdings Limited.

The principal activities of the Company are manufacturing, purchase and sale of technical textiles, chemicals, packaging films and other polymers.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 9, 2022.

B SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation

These standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provisions of the Act.

The standalone financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

- Defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation

- Share-based payments

The standalone financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all values are rounded to the nearest crores, except when otherwise indicated.

The principal accounting policies are set out below.

2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

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 identified twelve months as its operating cycle for the purpose of current / non current classification of assets and liabilities.

3 Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

All items of property, plant and equipment have been measured at fair value at the date of transition to Ind AS. The Company have opted such fair valuation as deemed cost at the transition date i.e. April 1, 2015.

Cost of acquisition or construction is inclusive of freight, duties, non-recoverable taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets, upto the date of commissioning of the assets.

Likewise, when a major inspection for faults is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items of property, plant and equipment and depreciated accordingly.

Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Capital Work in Progress: Project under which assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the Company intends to use these for a period of more than 12 months.

4 Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation has been provided on the cost of assets less their residual values on straight line method on the basis of estimated useful life of assets determined by the Company which are different from the useful life as prescribed in Schedule II of the 2013 Act. The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. and are as under:

Roads	40-50 years
Buildings (including temporary structures)	5-60 years
Plant and equipment	2-40 years
Furniture and fixtures	3-20 years
Office equipment	3-20 years
Vehicles	4-5 years

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Freehold land is not depreciated.

Depreciation is calculated on a pro rata basis except assets costing upto ₹ 5,000 each, which are fully depreciated in the year of purchase.

An item of property, plant and equipment or any significant part initially recognised of such item 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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives considered are as follows:

Trademarks / Brand	10-30 years
Technical Knowhow	30-40 years
Software	3-5 years
Other intangibles	2.5-8 years

The Company has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

6 Research and development expenditure

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

for the production of new or substantially improved products and processes.

Such development costs are capitalised if they can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

7 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any

goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

8 Impairment of tangible and intangible assets other than goodwill

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an 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 groups of assets.

Impairment loss is recognised when the carrying amount of an asset or CGU exceeds its recoverable amount. In such cases, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 5 years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after 5th year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

9 Leasing

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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 assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as lessee

The Company accounts for assets taken under lease arrangement in the following manner:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the basis of remaining lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

10 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs incurred for the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

In case of a specific borrowing taken for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised shall be the actual borrowing costs incurred during the period less any interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset.

In case funds are borrowed generally and such funds are used for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised are calculated by applying the weighted average capitalisation rate on general borrowings outstanding during the period, to the expenditures incurred on the qualifying asset.

If any specific borrowing remains outstanding after the related asset is ready for its intended use, that borrowing is considered part of the funds that are borrowed generally for calculating the capitalisation rate.

11 Foreign Currencies

Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

(i) Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to exchange differences arising from cash flow hedges to the extent that the hedges are effective and those covered below.

(ii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016:

Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance useful life of the assets.

(iii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016:

The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is treated in accordance with Ind AS 21/ Ind AS 109. Refer point (i) above.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

12 Inventories

Inventories are valued at cost or net realisable value, whichever is lower. The basis of determining the cost for various categories of inventory are as follows:

- (a) Raw materials, packing materials and stores and spares (including fuel) - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. 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.
- (b) Traded goods, Stock in progress and finished goods- Direct cost plus appropriate share of overheads.
- (c) By products - At estimated realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

13 Provisions, contingent liabilities and contingent assets

Provisions

The Company recognises a provision when there is a present obligation (legal or constructive) as a result of past events and it is more likely than not that an outflow of resources would be required to settle the obligation and a reliable estimate can be made.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate

asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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 recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

Contingent assets

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

14 Revenue recognition

a) Sale of goods

Revenue from sale of products is recognised upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers. Service income is recognised as and when the underlying services are performed. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as goods and services tax and applicable discounts and allowances.

Any fees including upfront fees received in relation to contract manufacturing arrangements is recognised on straight line basis over the period over which the Company satisfies the underlying performance obligations. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash as per contractual terms. Advance from customers ("contract liability") is recognised when the Company has received consideration from the customer before it delivers the goods.

b) Interest and dividend income

Interest income is recognised when it is probable that the economic benefits will flow to the Company using the effective interest rate and the amount of income can be measured

reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

c) Export Incentives

The benefit accrued under the Duty Drawback scheme and other schemes as per the Export and Import Policy in respect of exports made under the said Schemes is included under the head "Revenue from Operations" under 'Export and other Incentives'. Also refer policy on "government grants".

15 Taxation

Income tax expense represents the sum of current tax and deferred tax.

a) Current tax

Current 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, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e. in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

b) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. 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 relating to items recognised outside profit or loss is recognised outside profit or loss i.e. in other comprehensive income or in equity.

Deferred tax assets/liabilities are not recognised for below mentioned temporary differences:

- (i) At the time of initial recognition of goodwill;
- (ii) Initial recognition of assets or liabilities (other than in a business combination) at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT asset is recognised in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

The Company considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the Company concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Company determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. However, if the Company concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the Company reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

16 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

A government grant that becomes receivable as compensation for expenses or losses incurred in a previous period. Such a grant is recognised in profit or loss of the period in which it becomes receivable.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to assets are presented in the balance sheet as deferred income and is recognised in profit or loss on a systematic basis over the expected useful life of the related assets.

17 Employee benefits

Short-term employee benefits

Wages and salaries including non monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the related services are rendered, are measured at the undiscounted amount expected to be paid.

Defined contribution plans

Provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund and Employees' State Insurance Corporation are defined contribution schemes. Contributions to such schemes are charged to the statement of profit and loss in the year when employees have rendered services entitling them to contributions. The Company has no obligation, other than the contribution payable to such schemes.

Defined benefit plans

The Company has defined benefit gratuity plan and provident fund for certain category of employees administered through a recognised provident fund trust. Provision for gratuity and provident fund for certain category of employees administered through a recognised provident fund trust are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss, other than remeasurements. The cost of providing these benefits is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability and return on plan assets), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Other long-term employee benefits

The Company also has other long-term employee benefits in the nature of compensated absences and long term retention pay. Provision for compensated absences and long term retention pay are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss. The cost of providing these benefits is determined using the projected unit credit method.

Share based payments

Equity settled share based payments to employees under SRF Long Term Share Based Incentive Plan (SRF LTIP) are measured at the fair value (which is the

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

market price less exercise price) of the equity instruments on the grant date. This compensation expense is amortised over the remaining tenure over which the employees renders their service on a straight line basis.

18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

20 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.

A) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the Company are classified in three categories:

- At amortised cost
- At fair value through profit and loss (FVTPL)
- At fair value through other comprehensive income (FVTOCI)

Financial Asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets not classified as measured at amortised cost or FVTOCI as are measured at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value.

Notes to the standalone financial statements

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Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Investments representing equity interest in subsidiaries are carried at cost less any provision for impairment.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. Any gain or loss on derecognition is recognised in profit or loss.

When the Company has retained substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to

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the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

B) Financial liabilities and Equity instruments Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

The Company's financial liabilities includes borrowings, trade and other payables including financial guarantee contracts and derivative financial instruments.

Subsequent measurement Borrowings

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption/repayment amount is recognised in profit and loss over the period of the borrowings using the effective interest rate method.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid.

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, to realise the assets and settle the liabilities simultaneously.

Financial guarantee contracts

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 entity fails to make a payment when due in accordance with the terms of a 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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Equity instrument

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

21 Derivative and non derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments (such as forward currency

Notes to the standalone financial statements

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(All amounts in ₹ Crores, unless otherwise stated)

contracts, interest rate swaps and full currency swaps) or non derivative financial assets / liabilities to hedge its foreign currency risks and interest rate risks. The Company has opted for "Hedge Accounting" for all its derivative as well as non-derivative financial instrument used for hedging. Accordingly, at the inception of the hedge the Company formally designates a hedge relationship between the 'hedging instrument' and 'hedged item' which determines the initial recognition of the financial instrument as Fair Value Hedge or Cashflow hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. These financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit and loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in statement of profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

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The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the statement of profit and loss. In some cases, the Company separates the premium element and the spot element of a forward contract and designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. In such cases, the changes in the fair value of the premium element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as 'cost of hedging'. The changes in the fair value of such premium element or foreign currency basis spread are reclassified to profit or loss as a reclassification adjustment on a straight-line basis over the period of the forward contract or the financial instrument.

The Company also designates non derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for the hedge of foreign currency risk associated with highly probable forecasted transactions and, accordingly, applies cash flow hedge accounting for such relationships.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as

a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, the hedge accounting will be discontinued prospectively. Any cumulative gain or loss previously recognised in other comprehensive income remains separately in other equity if the forecast transaction or the foreign currency firm commitment is expected to occur else the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

22 Fair value measurement

The Company measures some of its financial instruments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in

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its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

23 Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

24 Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

25 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The appropriate level of management must be committed to a plan to sell, an active programme to locate a buyer and complete the plan has been initiated, the sale is considered highly

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probable and is expected within one year from the date of classification.

Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other assets and liabilities in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit and loss.

26 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

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Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

C SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the

estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

- Classification and lease term determination of leasing arrangement – Note 1.B.9
- Derecognition of trade receivables and hedge effectiveness - Note 1.B.20
- Fair value measurement of derivative instruments – Note 1.B.22
- Assessment of useful life of property, plant and equipment and intangible asset – Note 1.B.4
- Recognition and estimation of tax expense including determination of applicable tax rate for measuring deferred tax balances – Note 1.B.15
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 1.B.17
- Assessment of impairment of financial assets and non-financial assets – Note 1.B.20 and Note 1.B.8
- Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 1.B.13

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2 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Cost								
Balance at March 31, 2020	317.18	63.48	686.96	5430.23	25.80	58.14	41.09	6622.88
Additions / adjustments	-	8.29	38.66	564.41	2.01	8.08	6.59	628.04
Disposals	-	-	(0.14)	(6.18)	(0.20)	(1.06)	(3.99)	(11.57)
Balance at March 31, 2021	317.18	71.77	725.48	5988.46	27.61	65.16	43.69	7239.35
Additions / adjustments	-	1.08	31.80	536.32	0.99	11.06	10.08	591.33
Disposals	-	-	(5.84)	(59.86)	(0.54)	(3.91)	(4.85)	(75.00)
Balance at March 31, 2022	317.18	72.85	751.44	6464.92	28.06	72.31	48.92	7755.68
Accumulated depreciation								
Balance at March 31, 2020	-	6.31	85.03	1,166.81	9.30	31.04	20.75	1319.24
Depreciation expenses	-	1.54	20.22	320.71	2.07	6.53	7.25	358.32
Disposals	-	-	(0.03)	(2.70)	(0.14)	(0.90)	(2.76)	(6.53)
Balance at March 31, 2021	-	7.85	105.22	1484.82	11.23	36.67	25.24	1671.03
Depreciation expenses	-	1.67	21.38	347.26	1.91	7.86	7.76	387.84
Disposals	-	-	(0.63)	(45.56)	(0.32)	(3.53)	(3.64)	(53.68)
Balance at March 31, 2022	-	9.52	125.97	1786.52	12.82	41.00	29.36	2005.19
Carrying Amount								
Balance at March 31, 2020	317.18	57.17	601.93	4263.42	16.50	27.10	20.34	5303.64
Additions / adjustments	-	8.29	38.66	564.41	2.01	8.08	6.59	628.04
Disposals	-	-	(0.11)	(3.48)	(0.06)	(0.16)	(1.22)	(5.03)
Depreciation expenses	-	(1.54)	(20.22)	(320.71)	(2.07)	(6.53)	(7.25)	(358.32)
Balance at March 31, 2021	317.18	63.92	620.26	4503.64	16.38	28.49	18.46	5568.33
Additions / adjustments	-	1.08	31.80	536.32	0.99	11.06	10.08	591.33
Disposals	-	-	(5.21)	(14.30)	(0.22)	(0.38)	(1.21)	(21.32)
Depreciation expenses	-	(1.67)	(21.38)	(347.26)	(1.91)	(7.86)	(7.76)	(387.84)
Balance at March 31, 2022	317.18	63.33	625.47	4678.40	15.24	31.31	19.57	5750.50

Notes:

- Borrowing cost capitalised during the year ₹ 17.85 Crores (Previous year: ₹ 7.62 Crores) with a capitalisation rate ranging from 0.40% to 3.55% (Previous year: 3.22% to 8.09%).
- The industrial freehold land measuring 32.41 acres at the Company's plant in Gummudipoondi, Tamil Nadu had been acquired by the Company w.e.f. January 01, 2001 pursuant to a scheme of amalgamation sanctioned by the Hon'ble High court of Judicature at Madras and the Hon'ble High court of Delhi. Out of the said land, there is a dispute on a land parcel of 2.74 acres. Based on the legal documentation available, the Company is of the view that the said dispute is not tenable.
- Capital expenditure incurred during the year includes ₹ 8.49 Crores (Previous year: ₹ 13.46 Crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 41 (a) below.
- Refer to note 15.1 for information on PPE pledged as security by the Company. Additionally, non funded working capital facilities from banks amounting to ₹ 37.80 Crores (Previous year: ₹ 58.50 Crores) are secured by hypothecation of Captive Power Plant (CPP) and HFC134A plant situated at Dahej in the state of Gujarat.
- Refer to note 41 (c) for additions / adjustments on account of exchange difference during the year.
- The Company accounts for all capitalisation of property, plant and equipment through capital work in progress and, therefore, the movement in capital work-in-progress is the difference between closing and opening balance of capital work-in-progress as adjusted by additions in property, plant and equipment and intangible assets.
- Disposals during the current year include property, plant and equipment classified as assets held for sale. Refer note 40 below.

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for the year ended March 31, 2022

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2.1 CAPITAL WORK-IN-PROGRESS (CWIP)

(i) Ageing of capital work-in-progress :

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress					
As at March 31, 2022	1,509.77	99.77	7.50	-	1,617.04
As at March 31, 2021	416.73	18.44	0.96	-	436.13

(ii) CWIP completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan :

	As at March 31, 2022			
	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress				
Chloromethanes plant	333.38	-	-	-
Augmentation of power and steam capacity	138.23	-	-	-
Others *	113.60	0.02	-	-
	585.21	0.02	-	-

	As at March 31, 2021			
	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress				
R22 facility	87.08	-	-	-
Dedicated facility for SS-04	52.05	-	-	-
Others *	107.31	0.06	-	-
	246.44	0.06	-	-

* Comprises projects not considered material at an individual level.

Notes to the standalone financial statements

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(All amounts in ₹ Crores, unless otherwise stated)

3 GOODWILL

Cost	
Balance at March 31, 2020	0.62
Additions	-
Disposals	-
Balance at March 31, 2021	0.62
Additions	-
Disposals	-
Balance at March 31, 2022	0.62
Accumulated Impairment losses	
Balance at March 31, 2020	-
Additions	-
Balance at March 31, 2021	-
Additions (Refer to note 40)	0.62
Balance at March 31, 2022	0.62
Carrying Amount	As at March 31, 2022
Industrial yarn unit	-
	0.62

The Company had allocated goodwill to the above mentioned cash generating unit and determined recoverable amount of this allocated goodwill using cash flow projections based on financial budget as approved by the directors of the Company.

4 OTHER INTANGIBLE ASSETS

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at March 31, 2020	77.53	55.19	30.75	19.39	182.86
Additions / adjustments	-	-	0.64	-	0.64
Disposals	-	-	-	-	-
Balance at March 31, 2021	77.53	55.19	31.39	19.39	183.50
Additions / adjustments	-	-	5.21	-	5.21
Disposals	(4.28)	-	(6.29)	-	(10.57)
Balance at March 31, 2022	73.25	55.19	30.31	19.39	178.14
Accumulated amortisation					
Balance at March 31, 2020	16.76	5.95	25.19	18.50	66.40
Amortisation expenses	2.45	1.70	3.02	0.05	7.22
Disposals	-	-	-	-	-
Balance at March 31, 2021	19.21	7.65	28.21	18.55	73.62
Amortisation expenses	2.45	1.70	2.76	0.05	6.96
Disposals	(4.28)	-	(6.29)	-	(10.57)
Balance at March 31, 2022	17.38	9.35	24.68	18.60	70.01

Notes to the standalone financial statements

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Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Carrying Amount					
Balance at March 31, 2020	60.77	49.24	5.56	0.89	116.46
Additions / adjustments	-	-	0.64	-	0.64
Disposals	-	-	-	-	-
Amortisation expenses	(2.45)	(1.70)	(3.02)	(0.05)	(7.22)
Balance at March 31, 2021	58.32	47.54	3.18	0.84	109.88
Additions / adjustments	-	-	5.21	-	5.21
Disposals	-	-	-	-	-
Amortisation expenses	(2.45)	(1.70)	(2.76)	(0.05)	(6.96)
Balance at March 31, 2022	55.87	45.84	5.63	0.79	108.13

5 INVESTMENTS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Investment in equity instruments		
Subsidiary companies	88.66	83.60
Others	4.16	4.16
	92.82	87.76
Aggregate book value of unquoted investments	92.82	87.76
Aggregate amount of impairment in value of investments	4.34	4.34
Current		
Investment in mutual funds	121.86	197.16
Investment in debentures / bonds	194.88	215.36
	316.74	412.52
Aggregate book value and market value of unquoted investments	121.86	197.16
Aggregate book value and market value of quoted investments	194.88	215.36

5.1 Investment in subsidiaries (at cost)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of SRF Holiday Home Limited (A wholly owned subsidiary)	4,000,000	4.00	4,000,000	4.00
Equity shares of Euro 100 each fully paid up of SRF Global BV (A wholly owned subsidiary)	128,920	79.60	128,920	79.60
Equity shares of ₹ 10 each fully paid up of SRF Altech Limited (A wholly owned subsidiary)	5,000,000	5.00	-	-
Contribution in SRF Employees Welfare Trust (Controlled trust)	-	0.06	-	*
		88.66		83.60

* Amount in absolute: ₹ 60,000

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5.2 Other equity instruments (at fair value through other comprehensive income)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	4,221,535	4.22	4,221,535	4.22
Less: Impairment in value of investment		(4.22)		(4.22)
Equity shares of ₹ 10 each fully paid up of Vaayu Renewable Energy (Tapti) Private Limited	50,000	0.05	50,000	0.05
Equity shares of ₹ 10 each fully paid up of Suryadev Alloys & Power Private Limited	1,354,000	4.11	1,354,000	4.11
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	670,000	0.12	670,000	0.12
Less: Impairment in value of investment		(0.12)		(0.12)
		4.16		4.16

5.3 Investment in mutual funds (at fair value through profit and loss)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Unquoted investments (Current)				
ICICI Prudential P1543 Saving Fund-Growth Plan	3,612,365	121.86	3,612,365	117.16
Axis Overnight Fund- Regular Growth Plan	-	-	276,009	30.00
SBI Liquid Fund L72SG Regular Growth Plan	-	-	156,109	50.00
		121.86		197.16

5.4 Investment in debentures / bonds (at fair value through profit and loss)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Quoted investments (Current)				
Bonds				
9.56% State Bank of India Perpetual Bonds 2023 of ₹ 10,00,000 each	500	52.33	500	52.25
8.99% Bank of Baroda Perpetual Bonds 2024 of ₹ 10,00,000 each	550	56.92	500	51.02
8.85% HDFC Bank Limited Perpetual Bonds 2022 of ₹ 10,00,000 each	500	50.08	500	51.00
8.50% State Bank of India Perpetual Bonds 2024 of ₹ 10,00,000 each	248	25.40	-	-
8.50% State Bank of India Perpetual Bonds 2025 of ₹ 10,00,000 each	50	5.11	-	-
Debentures				
Non convertible debentures of Shriram Transport Finance Company Limited 2021 of ₹ 10,00,000 each	-	-	250	32.10
7.35% non convertible debentures of NIIF Infrastructure Finance Limited of ₹ 10,00,000 each	-	-	250	25.43
Non convertible debentures of Tata Capital Financial Services Limited of ₹ 10,00,000 each	-	-	30	3.56
9.50% non convertible debentures of Piramal Capital & Housing Finance Limited 2022 of ₹ 8,00,000 each	63	5.04	-	-
		194.88		215.36

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

6 LOANS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Non- current		
Loans to subsidiary (Refer note 41 (d))	395.33	336.14
Loans to employees	14.72	10.56
	410.05	346.70
Current		
Loans to subsidiary (Refer note 41 (d))	170.39	274.31
Loans to employees	8.03	7.17
Others (other than related parties)		
Credit impaired	2.74	2.74
Less : Provision for credit impaired loans	(2.74)	(2.74)
	178.42	281.48

7 OTHER FINANCIAL ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	60.65	28.84
- Interest rate swaps used for hedging	0.36	-
Other financial assets carried at amortised cost		
- Government grants and claims recoverable	15.86	15.86
- Deposit accounts with maturity beyond twelve months	30.00	-
- Security deposits		
Related parties (Refer note 32)	3.55	3.56
Other than related parties	30.11	32.35
	140.53	80.61
Current		
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	3.64	4.39
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	60.52	45.91
- Interest rate swaps used for hedging	3.16	1.01
Other financial assets carried at amortised cost		
- Insurance claim recoverable	1.06	0.33
- Government grants and claims recoverable	135.07	154.11
- Security deposits		
Other than related parties	1.26	2.19
- Others	21.80	9.70
	226.51	217.64

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

8 OTHER ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Capital advances	188.60	158.56
Prepaid expenses	0.71	0.25
CENVAT/ Service tax/ Goods and Services Tax/ Sales tax recoverable	18.05	14.43
Claims recoverable under Post EPCG scheme and others	0.12	0.12
	207.48	173.36
Current		
Prepaid expenses	14.50	9.13
CENVAT/ Service tax/ Goods and Services tax/ Sales tax recoverable	41.88	67.71
Export incentives recoverable	16.21	32.76
Deposits with customs and excise authorities	15.35	17.41
Advance to suppliers	90.78	87.82
Others	1.24	1.81
	179.96	216.64

9 INVENTORIES

(Valued at lower of cost and net realisable value)

	As at March 31, 2022	As at March 31, 2021
Raw material (including packing material)	855.01	597.10
Stock in progress	189.36	148.97
Finished goods	432.51	284.77
Stores and spares (including fuel)	267.95	254.93
Traded goods	6.05	0.93
	1,750.88	1,286.70
Goods-in-transit included above :		
Raw material (including packing material)	239.65	220.11
Finished goods	119.92	78.82
Stores and spares (including fuel)	2.50	1.06
Traded goods	4.83	0.33
	366.90	300.32

Notes

- The cost of inventories recognised as an expense includes ₹ 3.18 Crores (Previous year: ₹ 10.35 Crores) in respect of write-downs of inventory to net realisable value.
- Refer Note 15.1 for information on inventories pledged as security by the Company.
- The method of valuation of inventories has been stated in note 1.B.12

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

10 TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	1,350.99	1,012.00
Unsecured, credit impaired	2.28	3.96
Less: Provision for credit impaired receivables	(2.28)	(3.96)
	1,350.99	1,012.00

Notes

- The credit period generally allowed on sales varies, on a case to case basis, and from business to business and is based on market conditions. Generally credit period allowed is upto 120 days.
- Ageing of receivables :

Outstanding for following periods from due date of payment	As at March 31, 2022				Total
	Undisputed trade receivables - considered good	Undisputed trade receivables - credit impaired	Disputed trade receivables - considered good	Disputed trade receivables - credit impaired	
Not due	1,173.69	-	-	-	1,173.69
Less than 6 months	177.30	-	-	-	177.30
6 months - 1 year	-	0.01	-	-	0.01
1 - 2 years	-	1.06	-	-	1.06
2 - 3 years	-	-	-	-	-
More than 3 years	-	1.21	-	-	1.21
	1,350.99	2.28	-	-	1,353.27

Outstanding for following periods from due date of payment	As at March 31, 2021				Total
	Undisputed trade receivables - considered good	Undisputed trade receivables - credit impaired	Disputed trade receivables - considered good	Disputed trade receivables - credit impaired	
Not due	887.68	-	-	-	887.68
Less than 6 months	123.04	0.01	-	-	123.05
6 months - 1 year	0.60	0.08	-	-	0.68
1 - 2 years	-	3.30	-	-	3.30
2 - 3 years	-	-	-	-	-
More than 3 years	0.68	0.57	-	-	1.25
	1,012.00	3.96	-	-	1,015.96

- The Company has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the Company in the receivables as identified. Receivables sold as on March 31, 2022 are of ₹ 714.62 Crores (Previous year: ₹ 343.46 Crores). The Company has derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the Company.
- During the previous year the Company had sold, with recourse, trade receivables amounting to ₹ 47.15 Crores to a bank for cash proceeds. These trade receivables were not derecognised because the Company retained substantially all of the risks and rewards, primarily credit risk. The amounts received on such transfer were recognised as a secured bank loan (refer note 15).
- No customer represents more than 10% (Previous year: Nil) of the total balances of trade receivables.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(vi) Refer Note 15.1 for information on trade receivables pledged as security by the Company.

11 CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
Current accounts	97.94	73.15
Exchange earners foreign currency (EEFC) accounts	20.98	12.82
Deposit accounts with maturity of three months or less *	200.00	-
Cash on hand	0.72	0.75
	319.64	86.72

* Refer to note 15.

12 BANK BALANCES OTHER THAN ABOVE

	As at March 31, 2022	As at March 31, 2021
Earmarked balances		
- Margin money	1.95	1.95
- Unclaimed dividend accounts	6.72	6.57
Other deposit accounts		
- Deposit accounts with maturity beyond three months upto twelve months	0.20	135.19
	8.87	143.71

13 SHARE CAPITAL

	As at March 31, 2022	As at March 31, 2021
Authorised share capital:		
320,000,000 (Previous Year - 120,000,000) Equity shares of ₹ 10 each	320.00	120.00
1,000,000 (Previous Year - 1,000,000) Preference shares of ₹ 100 each	10.00	10.00
1,200,000 (Previous Year - 1,200,000) Cumulative Preference shares of ₹ 50 each	6.00	6.00
Nil (Previous Year - 20,000,000) Cumulative Preference shares of ₹ 100 each	-	200.00
	336.00	336.00
Issued share capital:		
300,477,780 (Previous Year - 63,301,960) Equity Shares of ₹ 10 each	300.48	63.30
Subscribed capital:		
296,421,025 (Previous Year - 59,245,205) Equity Shares of ₹ 10 each fully paid up	296.42	59.24
Add: Forfeited shares - Amount originally paid up	1.02	1.02
	297.44	60.26

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

13.1 Fully paid equity shares

	Number of shares	Amount
Balance at March 31, 2020	57,480,500	57.48
Add : Movement during the year *	1,764,705	1.76
Balance at March 31, 2021	59,245,205	59.24
Add : Movement during the year ^ (also refer note 34 on "Employee Share Based Payments")	237,175,820	237.18
Balance at March 31, 2022	296,421,025	296.42

There are no buy back of equity shares during the period of five years immediately preceding the reporting date.

Bonus shares issued during the five years preceding the reporting date

^ During the current year, the Company has issued and allotted 236,980,820 fully paid up Bonus Equity shares of ₹ 10 each in the ratio of 4:1 (i.e. 4 Bonus Equity shares for every 1 existing equity share of the Company) to the shareholders who held shares on October 14, 2021 (Record date).

* During the year ended March 31, 2021, the Company had issued 1,764,705 fully paid up equity shares equivalent to 3.07% of the existing paid up equity capital of the Company to Qualified Institutional Buyers in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. These shares were issued at an issue price of ₹ 4,250 per share (including securities premium of ₹ 4,240 per share) for an aggregate consideration of ₹ 750 Crores. The proceeds (net of share issue expenses of ₹ 11.99 Crores charged off against securities premium) were utilised for repayment of borrowings.

Terms/ rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

During the year ended March 31, 2022, first interim dividend of ₹ 12 per share (before issue of bonus shares) and second interim dividend of ₹ 4.75 per share (post issue of bonus shares) were recognised as distributions to equity shareholders, aggregating ₹ 211.89 Crores (Previous year: ₹ 24 per share before issue of bonus shares, aggregating ₹ 141.31 Crores).

In the event of liquidation of the Company, the holders of 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.

13.2 Details of equity shares held by the holding company

	Number of fully paid ordinary shares
As at March 31, 2022	
KAMA Holdings Limited, the Holding Company	150,245,000
As at March 31, 2021	
KAMA Holdings Limited, the Holding Company	30,049,000

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

13.3 Details of equity shares held by promoters:

Promoter name	Number of fully paid equity shares	% holding in that class of shares	% change during the year
As at March 31, 2022			
1. Arun Bharat Ram	137,500	0.05%	400.00%*
2. KAMA Holdings Limited	150,245,000	50.69%	400.00%*
As at March 31, 2021			
1. Arun Bharat Ram	27,500	0.05%	-
2. KAMA Holdings Limited	30,049,000	50.72%	-

* Also refer to note 13.1 above.

13.4 Details of equity shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid equity shares				
1. KAMA Holdings Limited	150,245,000	50.69%	30,049,000	50.72%
2. Amansa Holding Private Limited	11,361,408	3.83%	3,373,411	5.69%

14 OTHER EQUITY

	As at March 31, 2022	As at March 31, 2021
General reserve	648.54	648.54
Retained earnings	5,841.95	4,551.58
Cash flow hedging reserve	34.49	7.53
Capital redemption reserve	10.48	10.48
Capital reserve	219.19	219.19
Debenture redemption reserve	62.50	62.50
Employee share based payment reserve	3.22	2.54
Reserve for equity instruments through other comprehensive income	(4.22)	(4.22)
Securities premium	509.56	736.25
Cost of hedging reserve	1.65	0.62
	7,327.36	6,235.01

14.1 General reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	648.54	573.54
Increase / (decrease) during the year	-	75.00
Balance at end of year	648.54	648.54

The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. Items included in general reserve will not be reclassified subsequently to profit and loss.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

14.2 Retained earnings

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	4,551.58	3,828.76
Profit for the year	1,507.01	925.06
Other comprehensive income arising from remeasurement of defined benefit obligation * (Refer note 33.2 (iv))	(4.75)	1.57
Payment of dividend on equity shares	(211.89)	(141.31)
Transfer to debenture redemption reserve	-	(62.50)
Balance at end of year	5,841.95	4,551.58

The amount that can be distributed as dividend by the Company to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013.

* net of income tax of ₹ 2.55 Crores (Previous year: ₹ (0.84) Crore)

14.3 Cash flow hedging reserve

(Refer note 38.3.1 (C))

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	7.53	(78.56)
Recognised / (released) during the year	39.99	132.33
Income tax related to above	(13.03)	(46.24)
Balance at end of year	34.49	7.53

The Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

14.4 Capital redemption reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	10.48	10.48
Increase / (decrease) during the year	-	-
Balance at end of year	10.48	10.48

Capital Redemption Reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. The reserve is utilised in accordance with the provisions of the Act.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

14.5 Capital reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	219.19	219.19
Increase / (decrease) during the year	-	-
Balance at end of year	219.19	219.19

Capital reserve represents amounts received pursuant to Montreal Protocol Phaseout Programme of refrigerant gases.

14.6 Debenture redemption reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	62.50	75.00
Transfer from retained earnings	-	62.50
Transfer to general reserve	-	(75.00)
Balance at end of year	62.50	62.50

The Company has issued non-convertible debentures. The Company has created debenture redemption reserve out of the profits available for payment of dividend.

14.7 Employee share based payment reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	2.54	1.56
Increase / (decrease) during the year	10.91	0.98
Released on vesting of shares issued under employee share purchase scheme	(10.23)	-
Balance at end of year	3.22	2.54

The Company has allotted equity shares to certain employees under an employee share purchase scheme. The employee share based payment reserve is used to recognise the value of equity settled share based payments provided to such employees as part of their remuneration. Refer note 34 for further details of the scheme.

14.8 Reserve for equity instruments through other comprehensive income

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	(4.22)	(4.22)
Net fair value gain on investment in equity instruments at FVTOCI	-	-
Balance at end of year	(4.22)	(4.22)

This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

14.9 Securities premium

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	736.25	-
Recognised on issue of equity shares	-	736.25
Utilisation on issue of bonus equity shares	(236.98)	-
Recognised on vesting of shares issued under employee share purchase scheme	10.29	-
Balance at end of year	509.56	736.25

Securities premium represents the amount received in excess of the face value upon issue of equity shares. The same may be, inter-alia, utilised for issue of fully paid bonus shares or for buy-back of equity shares by the Company, in accordance with the provisions of the Act. During the previous year, expenses amounting to ₹ 11.99 Crores incurred on issue of equity shares under Qualified Institutional Placement have been charged off against securities premium (Refer note 13.1).

14.10 Cost of hedging reserve

(Refer note 38.3.1 (C))

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	0.62	-
Recognised / (released) during the year	1.48	0.95
Income tax related to above	(0.45)	(0.33)
Balance at end of year	1.65	0.62

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in other comprehensive income and accounted for similarly to gains or losses in the cash flow hedging reserve.

15 BORROWINGS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Secured		
2,500 Nos. (Previous year: 2,500 Nos.), Three Months T Bill plus 188 bps, listed, secured, redeemable, non-convertible debentures of ₹ 10 lakhs each* (Refer note 15.1.1)	250.00	250.00
Term Loans from banks* ^ (Refer note 15.1.2)	1,461.15	1,387.81
Term Loans from others* (Refer note 15.1.3)	141.07	175.01
Less: Current maturities of long-term borrowings*	(662.49)	(390.58)
	1,189.73	1,422.24

* Above amount of borrowings are net of upfront fees paid ₹ 2.39 Crores (Previous year: ₹ 2.84 Crores).

^ Out of a term loan of ₹ 227.91 Crores obtained towards the end of the current year, unutilised balance of ₹ 200 Crores as on March 31, 2022 has been temporarily invested in fixed deposit with a bank. There was no such loan / amount in previous year.

Notes to the standalone financial statements

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(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Current		
Secured		
Loans repayable on demand from banks (Refer note 15.1.4.(i))	158.30	233.38
Bills discounted with banks (Refer note 15.1.4.(ii))	-	47.15
Current maturities of long-term borrowings	662.49	390.58
	820.79	671.11
Unsecured		
Loans repayable on demand from banks	464.38	381.73
Commercial papers from banks and others #	300.00	100.00
	764.38	481.73
	1,585.17	1,152.84

Maximum amount due during the year is ₹ 500.00 Crores (Previous year: ₹ 600.00 Crores)

The quarterly returns or statements of current assets filed by the Company with the banks are in agreement with the books of account of the Company.

There have been no defaults in repayment of principal and interest on borrowings during the reporting periods.

15.1 Details of security of the secured loans:

Details of Loan	As at March 31, 2022 [#]	As at March 31, 2021 [#]	Security
1 2,500 (Previous Year : 2,500), Three Months T-Bill plus 188 bps, Listed, Secured, Redeemable, Non-Convertible Debentures of the face value of ₹ 10 lakhs each * Terms and conditions a) Redeemable at face value in one single installment at the end of 2nd year from the date of allotment. b) Coupon is payable on a quarterly basis every year.	250.00	250.00	Debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur in the State of Uttarakhand (other than moveable assets of Laminated Fabrics Business) and Dahej in the State of Gujarat (excluding certain assets).
2 (i) Term loan from Banks *	1,463.21	1,390.07	Moveable property (a)(i) Out of the loans as at 2(i), loans aggregating to ₹ 1,008.83 Crores (Previous Year – ₹ 1,099.30 Crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets).

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for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Details of Loan	As at March 31, 2022 [#]	As at March 31, 2021 [#]	Security
			(a)(ii) Out of the loans as at 2(i), loans aggregating to ₹ 454.38 Crores (Previous Year – ₹ 290.77 Crores) are in the process of being secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets).
			Immoveable property (b)(i) Out of the loans as at 2(i) loans aggregating to ₹ 516.71 Crores (Previous Year – ₹ 849.30 Crores) are secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand. (b)(ii) Out of the loans as at 2(b)(i)) loans aggregating to ₹ 289.09 Crores (Previous Year – ₹ 400.99 Crores) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan. (b)(iii) Out of the loans as at 2(i), the term loans aggregating to ₹ Nil (Previous Year – ₹ 38.50 Crores) are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
3 Term loans from others	141.40	175.59	Secured by the hypothecation and equitable mortgage of Company's moveable and immoveable properties at Dhar in the State of Madhya Pradesh.
4 (i) Loans repayable on demand from banks	158.30	233.38	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai (other than current assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh and Kashipur (other than current assets of Laminated Fabrics Business) in the State of Uttarakhand.
(ii) Bills discounted with banks	-	47.15	Secured against certain trade receivables of the Company. (Also refer note 10(iv))

* Such hypothecation in respect of Non convertible debentures mentioned in point no. 1 and hypothecation and equitable mortgage mentioned in point no. 2 rank pari-passu inter se between term loans from banks / Non convertible debentures (both current year and previous year).

Gross of upfront fees paid ₹ 2.39 Crores (Previous year : ₹ 2.84 Crores)

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

15.2 Terms of loans

As at March 31, 2022

NON CURRENT BORROWINGS

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2023	Up to March 31, 2024	Up to March 31, 2025	From 2025 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	Floating rate at 5.63%	250.00	-	-	-
Term loan from banks	Quarterly payments	Ranging from 0.94% to 5.85%	334.19	270.02	205.28	122.54
	Half yearly payments	Fixed rate of 1.23%	24.08	24.08	240.82	-
	Bullet	Ranging from 1.18% to 6.65%	15.00	-	227.19	-
Term loan from others	Half yearly payments	Floating rate at 1.46%	40.38	40.38	40.38	20.27
			663.65	334.48	713.67	142.81

Amounts mentioned above are gross of upfront fees paid of ₹ 2.39 Crores.

CURRENT BORROWINGS

Short term borrowings are either payable in installments within one year or repayable on demand. For short term borrowings, interest rate ranges from 0.26% to 4.05%.

As at March 31, 2021

NON CURRENT BORROWINGS

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2022	Up to March 31, 2023	Up to March 31, 2024	From 2024 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	Floating rate at 5.23%	-	250.00	-	-
Term loan from banks	Quarterly payments	Ranging from 0.71% to 6.25%	331.38	321.67	217.49	169.26
	Half yearly payments	Ranging from 1.23% to 7.85%	17.63	55.76	23.26	232.62
	Yearly payments	Floating rate at 7.25%	4.00	1.00	1.00	-
	Bullet	Fixed rate of 6.65%	-	15.00	-	-
Term loan from others	Half yearly payments	Floating rate at 2.01%	39.00	39.00	39.00	58.58
			392.01	682.43	280.75	460.46

Amounts mentioned above are gross of upfront fees paid of ₹ 2.84 Crores.

CURRENT BORROWINGS

Short term borrowings are either payable in installments within one year or repayable on demand. For short term borrowings, interest rate ranges from 0.32% to 4.73%.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Terms of repayment

- 1) Redeemable non convertible debenture of ₹ 250 Crores is repayable in one bullet instalment in September 2022 (Previous year: ₹ 250 Crores repayable in one bullet instalment in September 2022).
- 2) Rupee term loan from bank of ₹ 38.50 Crores was prepaid in current year in October 2021 (Previous year: ₹ 38.50 Crores repayable in 3 half yearly instalments from August 2021).
- 3) Rupee term loan from bank of ₹ 8.22 Crores is repayable in 2 quarterly instalments from June 2022 (Previous year: ₹ 24.66 Crores repayable in 6 quarterly instalments from June 2021).
- 4) Rupee term loan from bank of ₹ 6.00 Crores was prepaid in current year in October 2021 (Previous year: ₹ 6.00 Crores repayable in 3 annual instalments from December 2021).
- 5) Rupee term loan from bank of ₹ 203.13 Crores is repayable in 13 quarterly instalments from April 2022 (Previous year: ₹ 250.00 Crores repayable in 16 quarterly instalments from July 2021).
- 6) Foreign currency term loan from bank of ₹ 23.67 Crores is repayable in 1 quarterly instalment in June 2022 (Previous year: ₹ 114.30 Crores repayable in 5 quarterly instalments from June 2021).
- 7) Foreign currency term loan from bank of ₹ 265.87 Crores is repayable in 12 quarterly instalments from May 2022 (Previous year: ₹ 361.33 Crores repayable in 16 quarterly instalments from May 2021).
- 8) Foreign currency term loan from bank of ₹ 94.66 Crores is repayable in 7 quarterly instalments from April 2022 (Previous year: ₹ 143.69 Crores repayable in 11 quarterly instalments from April 2021).
- 9) Foreign currency term loan from others of ₹ 141.40 Crores is repayable in 7 half yearly instalments from April 2022 (Previous year: ₹ 175.59 Crores repayable in 9 half yearly instalments from April 2021).
- 10) Foreign currency term loan from bank of ₹ 15.00 Crores is repayable in one bullet instalment in June 2022 (Previous year: ₹ 15.00 Crores is repayable in one bullet instalment in June 2022).
- 11) Foreign currency term loan from bank of ₹ 109.29 Crores is repayable in 5 quarterly instalments from April 2022 (Previous year: ₹ 145.82 Crores repayable in 12 quarterly instalments from April 2021).
- 12) Foreign currency term loan from bank of ₹ 288.99 Crores is repayable in 4 half yearly instalments from September 2022 and then 12 monthly instalments from April 2024 onwards (Previous year: ₹ 290.77 Crores repayable in 5 half yearly instalments from March 2022 and then 12 monthly instalments from April 2024 onwards).
- 13) Foreign currency term loan from bank of ₹ 227.19 Crores is repayable in one bullet instalment in March 2025 (Previous year: Nil).
- 14) Foreign currency term loan from bank of ₹ 227.19 Crores is repayable in 17 quarterly instalments from March 2023 (Previous year: Nil).

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

16 PROVISIONS

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Provision for employee benefits		
Provision for compensated absences (Refer note 33.3)	44.69	38.06
Provision for retention pay (Refer note 33.3)	0.17	0.17
	44.86	38.23
Current		
Provision for employee benefits		
Provision for compensated absences (Refer note 33.3)	5.42	7.00
	5.42	7.00

17 DEFERRED TAX (NET)

The following is the analysis of deferred tax assets / (liabilities) presented in balance sheet

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	79.54	293.83
Deferred tax liabilities	(692.58)	(620.29)
Deferred tax liabilities, net	(613.04)	(326.46)

The major components of deferred tax assets / (liabilities) arising on account of temporary differences are as follows:

2021-22	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	MAT Credit Entitlement utilised	Closing balance
Deferred tax assets					
Expenses deductible in future years	15.08	2.08	-	-	17.16
Provision for credit impaired loans / receivables	0.99	(0.42)	-	-	0.57
MAT Credit Entitlement	274.66	25.27	-	(241.48)	58.45
Others	3.10	0.26	-	-	3.36
	293.83	27.19	-	(241.48)	79.54
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(603.82)	(58.07)	-	-	(661.89)
Investment in mutual funds	(10.85)	(1.09)	-	-	(11.94)
Cash flow hedges	(4.27)	-	(13.48)	-	(17.75)
Others	(1.35)	0.35	-	-	(1.00)
	(620.29)	(58.81)	(13.48)	-	(692.58)
Total	(326.46)	(31.62)	(13.48)	(241.48)	(613.04)

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

2020-21	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	MAT Credit Entitlement utilised	Closing balance
Deferred tax assets					
Expenses deductible in future years	13.77	1.31	-	-	15.08
Provision for credit impaired loans / receivables	0.61	0.38	-	-	0.99
MAT Credit Entitlement	367.07	5.38	-	(97.79)	274.66
Cash flow hedges	42.30	-	(42.30)	-	-
Others	4.65	(1.55)	-	-	3.10
	428.40	5.52	(42.30)	(97.79)	293.83
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(538.64)	(65.18)	-	-	(603.82)
Investment in mutual funds	(7.95)	(2.90)	-	-	(10.85)
Cash flow hedges	-	-	(4.27)	-	(4.27)
Others	(6.23)	4.88	-	-	(1.35)
	(552.82)	(63.20)	(4.27)	-	(620.29)
Total	(124.42)	(57.68)	(46.57)	(97.79)	(326.46)

Note:

(i) MAT credit entitlement of ₹ 74.02 Crores (Previous year: ₹ 74.02 Crores) expiring in the financial year ending March 31, 2035 is not recognised, due to expected timing of exercise of the option under section 115BAA of Income Tax Act, 1961.

18 TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises#		
- Acceptances*	3.61	-
- Other than acceptances	52.37	33.37
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances*	192.59	107.61
- Other than acceptances	1,091.80	1,055.51
	1,340.37	1,196.49

Refer to note 18.1

* Acceptances represent invoices discounted by vendors with banks.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(i) Ageing of trade payables :

Outstanding for following periods from due date of payment	As at March 31, 2022				
	Dues of micro enterprises and small enterprises	Dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises	Total
Unbilled dues	-	153.48	-	-	153.48
Not due	55.98	1,035.16	-	-	1,091.14
Less than 1 year	-	92.55	-	-	92.55
1 - 2 years	-	3.07	-	-	3.07
2 - 3 years	-	-	-	-	-
More than 3 years	-	0.13	-	-	0.13
	55.98	1,284.39	-	-	1,340.37

Outstanding for following periods from due date of payment	As at March 31, 2021				
	Dues of micro enterprises and small enterprises	Dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises	Total
Unbilled dues	-	119.16	-	-	119.16
Not due	33.37	974.85	-	-	1,008.22
Less than 1 year	-	64.93	-	-	64.93
1 - 2 years	-	2.28	-	-	2.28
2 - 3 years	-	-	-	-	-
More than 3 years	-	1.90	-	-	1.90
	33.37	1,163.12	-	-	1,196.49

18.1 Total outstanding dues of micro enterprises and small enterprises

Trade payables include the following dues to micro and small enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) to the extent such parties have been identified from the available information.

	As at March 31, 2022	As at March 31, 2021
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount**	108.82	52.02
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED/ settled	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues are actually paid, for the purpose of disallowance of a deductible expenditure	-	-

** including payable to micro enterprises and small enterprises included in other financial liabilities (refer note 19).

19 OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Derivatives carried at fair value through other comprehensive income		
Interest rate swaps used for hedging	-	0.54
Payables to capital creditors		
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances*	153.53	-
	153.53	0.54

* Acceptances represent amount payable under letter of credit arrangements with the vendor / banks.

Current		
Interest accrued but not due on borrowings	3.70	4.47
Unpaid dividends^	6.72	6.57
Security deposits received	8.15	8.62
Payables to capital creditors		
Total outstanding dues of micro enterprises and small enterprises#		
- Acceptances*	10.56	-
- Other than acceptances	42.28	18.65
Total outstanding dues of creditors other than micro enterprises and small enterprises	60.36	27.65
Others	16.38	43.12
	148.15	109.08

* Acceptances represent invoices discounted by vendors with banks.

^ Amount will be credited to investor education and protection fund if not claimed within seven years from the date of declaration of dividend.

Refer to note 18.1

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

20 TAX ASSETS AND LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Non - Current tax assets		
Advance tax (net of provision for tax)	21.31	33.74
Current tax liabilities		
Provision for tax (net of advance tax)	9.75	9.73

21 OTHER LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Current		
Contract liability (Refer note 39)	23.85	13.53
Statutory liabilities	30.78	26.00
Payable to gratuity trust (Refer note 33.2)	11.57	4.52
Other payables	41.36	31.74
	107.56	75.79

22 REVENUE FROM OPERATIONS

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products		
Manufactured goods	9,696.55	6,817.90
Traded goods	140.00	69.59
	9,836.55	6,887.49
Other operating revenues		
Claims	-	0.52
Export and other incentives	48.42	69.23
Scrap sales	45.92	28.36
Other operating income	22.55	2.72
	116.89	100.83
	9,953.44	6,988.32

Reconciliation of revenue from sale of products with the contracted price

	Year ended March 31, 2022	Year ended March 31, 2021
Contracted price	9,920.88	7,017.01
Less: Discounts, allowances and claims	(84.33)	(129.52)
Sale of products	9,836.55	6,887.49

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

23 OTHER INCOME

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income		
- from customers	0.01	0.01
- on loans, deposits and investments	28.85	1.58
- on others	3.33	7.65
Net gain on sale/ discarding of property, plant and equipment	3.09	0.39
Net gain on financial assets measured at fair value through profit and loss	7.06	25.45
Net foreign currency exchange fluctuation gains	71.40	-
Provision/ liabilities no longer required written back	2.59	11.42
Other non-operating income	18.98	16.80
	135.31	63.30

24.1 COST OF MATERIALS CONSUMED

	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock of raw materials	597.10	465.59
Add: Purchases of raw materials	5,006.17	3,410.01
Less: Closing stock of raw materials	855.01	597.10
Cost of materials consumed*	4,748.26	3,278.50

* including packing material

24.2 PURCHASES OF STOCK IN TRADE

	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of stock in trade	137.27	60.49
	137.27	60.49

24.3 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the end of the year :		
Stock-in-Process	189.36	148.97
Finished goods	432.51	284.77
Traded goods	6.05	0.93
	627.92	434.67
Inventories at the beginning of the year :		
Stock-in-Process	148.97	152.85
Finished goods	284.77	251.88
Traded goods	0.93	1.73
	434.67	406.46
Net (increase) / decrease	(193.25)	(28.21)

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

25 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages, including bonus	521.20	444.80
Contribution to provident and other funds	35.98	33.74
Workmen and staff welfare expenses	72.69	54.61
Employee share based payment expense (Refer note 34)	28.61	0.98
	658.48	534.13

26 FINANCE COST

	Year ended March 31, 2022	Year ended March 31, 2021
Interest cost ^		
- Non-convertible debentures	13.23	12.27
- Term loans and others	48.07	82.52
- Lease liabilities	8.69	6.49
Other borrowing costs	10.05	9.15
Exchange differences regarded as an adjustment to borrowing costs	14.41	0.78
	94.45	111.21

^ pertains to liabilities measured at amortised cost.

27 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment	387.84	358.32
Depreciation of right-of-use assets	24.43	18.06
Amortisation of intangible assets	6.96	7.22
	419.23	383.60

28 OTHER EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
Stores and spares consumed	63.01	51.79
Power and fuel	984.23	632.06
Labour production	46.08	36.93
Rent*	27.54	15.62
Repairs and maintenance		
- Buildings	7.68	5.15
- Plant and machinery	185.34	152.85
- Others	34.33	30.33

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Insurance	38.37	33.26
Rates and taxes	11.92	8.37
Freight charges	420.82	238.39
Expenditure on corporate social responsibility**	19.06	12.88
Legal and professional charges	35.35	27.39
Travelling and conveyance	7.68	3.89
Directors' sitting fees	0.29	0.27
Selling commission	13.11	18.29
Credit impaired assets provided/ written off	0.76	12.06
Property, plant and equipment provided/ written off ^	11.48	1.37
Auditor remuneration ^^		
- Audit fees	0.65	0.65
- For limited review of unaudited financial results	0.54	0.54
- For Corporate governance, consolidated financial statements and other certificates	0.07	0.07
- For tax audit	0.08	0.08
- Reimbursement of out of pocket expenses	0.10	0.07
Effluent disposal expenses	120.54	76.18
Net foreign currency exchange fluctuation loss	-	7.21
Miscellaneous expenses	40.24	36.23
	2,069.27	1,401.93

* Refer to note 37

** Refer to note 41(f)

^ Including amount of ₹ 5.75 Crores (Previous year: Nil) recognised on fair valuation of assets classified as held for sale. Also refer to note 40

^^ Excluding fees of ₹ 0.43 Crore in previous year for QIP related attestation and certification, netted off from securities premium.

29 INCOME TAX RECOGNISED IN PROFIT AND LOSS

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
In relation to current year	616.41	327.21
Adjustment in relation to earlier years	-	0.02
	616.41	327.23
Deferred tax		
- MAT credit entitlement		
In relation to current year	-	-
Adjustment in relation to earlier years	(25.27)	(5.38)
	(25.27)	(5.38)

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
- Others		
In relation to current year	48.93	58.71
Adjustment in relation to earlier years	7.96	4.35
	56.89	63.06
Total tax expense	648.03	384.91

The income tax expenses for the year can be reconciled to the accounting profits as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	2,155.04	1,309.97
Income Tax Expenses @ 34.944% (Previous year: 34.944%)	753.06	457.76
Effect of deductions (research and development, share issue expenses and deductions under chapter VI A of Income Tax Act)	(79.28)	(54.59)
Effect of expenses that are not deductible in determining taxable profit	13.15	5.48
Effect of re-measurement of deferred tax balances / lower tax rate on certain temporary differences pursuant to Section 115BAA of Income Tax Act	(21.59)	(22.73)
Income tax expenses recognised in statement of profit and loss in relation to current year	665.34	385.92
Income tax credit recognised in statement of profit and loss in relation to earlier years (Refer note (ii) below)	(17.31)	(1.01)
Total Income tax expenses recognised in profit and loss	648.03	384.91

Notes:

- The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (Previous year: 34.944%) payable by corporate entities in India on taxable profits under the Indian tax law.
- Income tax in relation to earlier years includes tax credit of ₹ 15.42 Crores (Previous year: tax expense of ₹ 1.62 Crores) which is related to finalization and determination of deduction / allowance claimed for earlier years under Chapter-VIA of the Income-tax Act, 1961, for generation of power from captive power plants which is based on finalization of transfer pricing study / tax audit reports of the previous year.

30 INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Year ended March 31, 2022	Year ended March 31, 2021
Arising on income and expense recognised in other comprehensive income		
Net (gain)/ loss on designated portion of hedging instruments in cash flow hedges	(13.03)	(46.24)
Cost of Hedging Reserve	(0.45)	(0.33)
Remeasurement of defined benefit obligation	2.55	(0.84)
	(10.93)	(47.41)

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	(13.48)	(46.57)
Items that will not be reclassified to profit or loss	2.55	(0.84)
	(10.93)	(47.41)

31 CONTINGENT LIABILITIES AND COMMITMENTS

	As at March 31, 2022	As at March 31, 2021
a. Claims against the Company not acknowledged as debts		
Goods and services tax, excise duty, custom duty and service tax*	8.39	23.11
Sales tax and entry tax **	19.17	20.38
Income tax (also refer note b(ii) and b(iii) below) ***	22.26	3.74
Others ****	10.40	13.19

* Amount deposited against contingent liability ₹ 1.23 Crores (Previous year: ₹ 1.79 Crores)

** Amount deposited against contingent liability ₹ 6.74 Crores (Previous year: ₹ 7.59 Crores)

*** Amount deposited against contingent liability ₹ 2.98 Crores (Previous year: ₹ 3.09 Crores)

**** Amount deposited against contingent liability ₹ 0.42 Crore (Previous year: ₹ 0.40 Crore)

**** Includes demand by Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. (MPPKV Ltd) of ₹ 8.12 Crores (Previous year: ₹ 11.40 Crores).

All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on the results of the operations or financial position of the Company.

- The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax / goods and service tax amounting to ₹ 18.86 Crores (Previous year: ₹ 18.58 Crores) should not be levied. The Company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.
 - The Company has received a notice for assessment year 2018-19 on April 13, 2022 on account of non deduction of TDS on foreign payments involving an amount of ₹ 14.34 Crores. Based on the facts of the case and the Company's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.
 - Besides the above, the Company has received final assessment orders for assessment years 2017-18 and 2018-19 on April 30, 2022 in which adjustments amounting to ₹ 277.31 Crores and ₹ 323.09 Crores respectively were made on account of transfer pricing adjustments, research and development expenditure and others etc. (in line with earlier years) and a demand of ₹ 1.20 Crores and ₹ 96.71 Crores respectively has been raised. The Company plans to file rectification application towards certain computation errors and for rest of the issues, appeal will be filed

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

before Income Tax Appellate Tribunal. Based on the facts of the case and the management's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

- c. Guarantees given to banks and others for repayment of financial facilities availed by wholly owned subsidiaries are as below:

Name of the subsidiary	Currency	Guarantee amount as at				Loan / payable outstanding against the guarantee as at			
		March 31, 2022		March 31, 2021		March 31, 2022		March 31, 2021	
		In Millions	In ₹ Crores^	In Millions	In ₹ Crores^^	In Millions	In ₹ Crores^	In Millions	In ₹ Crores^^
SRF Flexipak South Africa (Pty Limited)	USD	-	-	46.00	336.49	-	-	3.00	21.95
	USD	8.00	60.58	-	-	-	-	-	-
SRF Global BV	EUR	-	-	22.00	188.72	-	-	-	-
	USD	44.00	333.21	44.00	321.86	11.13	84.29	10.00	73.16
SRF Industries (Thailand) Limited	EUR	18.00	151.33	18.00	154.40	18.00	151.33	18.00	154.40
	EUR	12.76	107.27	12.76	109.46	5.84	49.10	8.56	73.44
	USD	17.20	130.26	-	-	15.12	114.50	-	-
SRF Europe Kft (Hungry)	EUR	22.00	184.95	22.00	188.72	-	-	-	-
	EUR	77.00	647.34	77.00	660.51	64.13	539.14	57.50	493.24

^ Converted using closing exchange rate - USD 75.73 and Euro 84.07

^^ Converted using closing exchange rate - USD 73.15 and Euro 85.78

- d. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made.

- e. Capital and other commitments

	As at March 31, 2022	As at March 31, 2021
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	913.41	690.96
(ii) The Company has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The Company does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses which have not been provided for.		
(iii) Export obligation under advance license scheme on duty free import of specific raw materials, remaining outstanding is ₹ 721.78 Crores (Previous year: ₹ 619.36 Crores).		

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

32 RELATED PARTY TRANSACTIONS

32.1 Description of related parties under Ind AS - 24 "Related party disclosures"

Ultimate Holding Entity

ABR Family Trust

Holding Company

KAMA Holdings Limited

Subsidiaries

SRF Holiday Home Limited
SRF Global BV
SRF Industries (Thailand) Limited
SRF Industex Belting (Pty) Limited
SRF Flexipak (South Africa) (Pty) Limited
SRF Europe Kft
SRF Employees Welfare Trust (Controlled trust)
SRF Altech Limited *

Fellow subsidiaries

KAMA Realty (Delhi) Limited
Shri Educare Limited
SRF Transnational Holding Limited

Post Employment Benefit Plans Trust

SRF Limited Officers Provident Fund Trust
SRF Employees Gratuity Trust
SRF Officers Gratuity Trust

KMP of Holding Company

Ekta Maheshwari
Jagdeep Singh Rikhy **

^ upto March 31, 2022

^^ upto August 31, 2021

* from March 15, 2022

** from December 03, 2021

Only with whom the Company had transactions during the year

Key management personnel (KMP)

Arun Bharat Ram ^
Ashish Bharat Ram
Kartik Bharat Ram
Tejpreet S Chopra
Lakshman Lakshminarayan
Vellayan Subbiah
Meenakshi Gopinath ^^
Pramod Gopaldas Gujarathi
Bharti Gupta Ramola
Yash Gupta
Puneet Yadu Dalmia

Enterprises over which KMP have significant influence

SRF Foundation
SRF Welfare Trust
BLP Industry AI Private Limited

Relative of KMP

Sushil Ramola
Murugappan Vellayan Subbiah

Relative of KMP of Holding Company

Nirmala Kothari

Enterprises over which relative of KMP has control

Murugappa & Sons

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

32.2 Transactions with related parties

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of goods to:		
Subsidiaries	75.33	28.27
Enterprises over which KMP have significant influence	0.04	-
	75.37	28.27
Purchase of goods from:		
Subsidiaries	44.18	17.50
	44.18	17.50
Purchase of property, plant & equipment and intangible assets from:		
Subsidiaries	-	15.37
	-	15.37
Sale of property, plant & equipment and intangible assets to:		
Subsidiaries	-	1.94
Fellow Subsidiaries	0.19	-
	0.19	1.94
Services rendered to:		
Subsidiaries	13.97	8.78
	13.97	8.78
Receiving of Services from:		
Enterprises over which KMP have significant influence	0.19	0.07
	0.19	0.07
Rent paid to:		
Fellow Subsidiaries	6.60	6.60
Subsidiaries	0.06	0.06
Key management personnel	0.26	0.27
Enterprises over which KMP have significant influence	0.27	0.27
	7.19	7.20
Reimbursement of expenses from:		
Holding Company	0.01	0.01
Subsidiaries	1.25	1.50
Fellow Subsidiaries	0.04	0.05
	1.30	1.56
Loan given to:		
Subsidiaries	230.20	617.48
	230.20	617.48
Loan received back from:		
Subsidiaries	277.41	-
	277.41	-
Interest received from:		
Subsidiaries	8.37	0.39
	8.37	0.39

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Deposits received back from:		
Key management personnel	0.01	-
	0.01	-
Contribution for expenditure on corporate social responsibility:		
Enterprises over which KMP have significant influence	21.38	9.18
	21.38	9.18
Investments made in:		
Subsidiaries	5.06	*
	5.06	-
* Amount in absolute in previous year ₹ 25,000		
Contribution to post employment benefit plans:		
Post Employment Benefit Plans Trust	30.20	35.41
	30.20	35.41
Employee benefit obligations transferred to:		
Holding Company	-	0.02
Fellow Subsidiaries	0.20	-
Enterprises over which KMP have significant influence	-	^
	0.20	0.02
^ Amount in absolute in previous year ₹ 25,962		
Equity dividend paid:		
Holding Company	107.43	72.12
Key management personnel	0.15	0.12
Relative of KMP	0.11	0.07
KMP of Holding Company	*	*
Relative of KMP of Holding Company	^	^
Enterprises over which relative of KMP has control	#	#
	107.69	72.31

* Amount in absolute ₹ 1,095 (Previous year: ₹ 168)

^ Amount in absolute ₹ 358 (Previous year: ₹ 240)

Amount in absolute ₹ 36,966 (Previous year: ₹ 24,618)

Bonus shares issued:

Holding Company (No. of shares: 120,196,000 ; Previous year: Nil)	-	-
Key management personnel (No. of shares: 178,968 ; Previous year: Nil)	-	-
Relatives of KMP (No. of shares :110,388 ; Previous year: Nil)	-	-
KMP of Holding Company (No. of shares: 76 ; Previous year: Nil)	-	-
Relatives of KMP of Holding Company (No. of shares: 40; Previous year: Nil)	-	-

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Enterprises over which relative of KMP has control (No. of shares: 4,136 ; Previous year: Nil)	-	-
	-	-
Guarantees issued / renewed:		
Subsidiaries*	190.84	109.46
	190.84	109.46
Guarantees run-down / released:		
Subsidiaries*	533.31	879.12
	533.31	879.12

* Converted using closing exchange rate - March 31, 2022 : USD 75.73 and EUR 84.07 (Previous year: USD 73.15, EUR 85.78 and THB 2.34).

32.3 Outstanding Balances:

	As at March 31, 2022	As at March 31, 2021
Receivables		
Subsidiaries	8.82	11.47
Post Employment Benefit Plans Trust	11.48	1.49
	20.30	12.96
Payables		
Subsidiaries	5.15	9.03
Post Employment Benefit Plans Trust	13.30	6.02
	18.45	15.05
Interest receivable		
Subsidiaries	2.05	0.39
	2.05	0.39
Commission payable		
Key management personnel	18.90	12.84
	18.90	12.84
Security deposits outstanding		
Subsidiaries	0.02	0.02
Fellow Subsidiaries	3.27	3.27
Key management personnel	0.12	0.13
Enterprises over which KMP have significant influence	0.14	0.14
	3.55	3.56
Equity Investment outstanding		
Subsidiaries	88.66	83.60
	88.66	83.60

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Loans outstanding		
Subsidiary	565.72	610.45
	565.72	610.45
Guarantees outstanding		
Subsidiaries**	1,614.94	1,960.15
	1,614.94	1,960.15

** Converted using closing exchange rate - March 31, 2022 : USD 75.73 and EUR 84.07 (Previous year: USD 73.15 and EUR 85.78).

32.4 Key management personnel compensation

	Year ended March 31, 2022	Year ended March 31, 2021
Short-term benefits*	34.88	26.21
Post-employment benefits	2.15	1.44
Other long-term benefits	1.19	0.97
	38.22	28.62

*Includes sitting fees and commission paid/ payable to non executive directors

33 EMPLOYEE BENEFITS

33.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Superannuation fund (Refer to note (i) below)	0.59	0.61
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	15.11	14.02
Employees' State Insurance Corporation	0.40	0.43
National Pension Scheme	1.71	1.34
	17.81	16.40

The expenses incurred on account of the above defined contribution plans have been included in Note 25 "Employee Benefits Expenses" under the head "Contribution to provident and other funds".

(i) Superannuation fund

The Company makes contributions to a Trust which in turn contributes to ICICI Prudential Life Insurance Company Limited. Apart from being covered under the Gratuity Plan described below, the employees of the Company also participate in a defined contribution superannuation plan maintained by the Company. The Company has no further obligations under the plan except making annual contributions based on a specified percentage of each covered employee's salary. From November 1, 2006, the

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Company provided an option to the employees to receive the said benefit as cash compensation along with salary in lieu of the superannuation benefit. Thus, no contribution is required to be made for the category of employees who opted to receive the benefit in cash.

(ii) Provident fund administered through Regional Provident Fund Commissioner

All employees are entitled to Provident Fund benefits as per the law. For certain category of employees the Company administers the benefits through a recognised Provident Fund Trust. The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. For other employees contributions are made to the Regional Provident Fund Commissioners. The Government mandates the annual yield to be provided to the employees on their corpus. This plan is considered as a Defined Contribution Plan. For the first category of employees (covered by the Trust), the Company has an obligation to make good the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government and these are considered as Defined Benefit Plans and are accounted for on the basis of an actuarial valuation.

33.2 Defined benefit plans

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by separate funds which are legally separate from the Company. These plans are:

- (a) Gratuity
- (b) Provident fund for certain category of employees administered through a recognised provident fund trust
- (i) **These plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.**

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

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for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(ii) The principal assumption used for the purpose of the actuarial valuation were as follows:

	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	7.16%	7.16%	6.69%	6.69%
Expected statutory interest rate	-	8.10%	-	8.50%
Salary increase	8.00%	-	7.00%	-
Retirement Age (years)	58	58	58	58
Mortality Rates	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Withdrawal rate				
Upto 30 years	20.00%	20.00%	20.00%	20.00%
31 to 44 years	7.00%	7.00%	7.00%	7.00%
Above 44 years	8.00%	8.00%	8.00%	8.00%

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

(iii) Amounts recognised in statement of profit and loss in respect of these benefit plans are as follows:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	9.09	7.73	8.03	6.75
Interest expenses (net of expected return on plan assets)	0.30	-	1.07	-
	9.39	7.73	9.10	6.75

The current service cost and the net interest expenses for the year are included in Note 25 "Employee Benefits Expenses" under the head "Contribution to provident and other funds".

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(iv) Amounts recognised in Other Comprehensive Income:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Actuarial (gain)/ losses on plan assets	(0.31)	-	(5.84)	-
Actuarial (gain)/ losses arising from changes in financial assumptions	3.71	-	0.49	-
Actuarial (gain)/ losses arising from changes in experience adjustments	3.90	-	2.94	-
	7.30	-	(2.41)	-

(v) The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	107.45	155.50	98.72	158.91
Fair value of plan assets	95.88	157.64	94.20	157.71
Surplus/ (Deficit)	(11.57)	2.14	(4.52)	(1.20)
Effect of asset ceiling, if any	-	(2.14)	-	-
Net assets / (liability)	(11.57)	-	(4.52)	(1.20)

(vi) Movements in the present value of defined benefit obligation are as follows:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	98.72	158.91	85.78	137.01
Current service cost	9.09	7.73	8.03	6.75
Interest cost	6.60	12.42	5.81	11.92
Actuarial (gain)/ losses arising from changes in financial assumptions	3.71	-	0.49	-
Actuarial (gain)/ losses arising from changes in experience adjustments	3.90	-	2.94	-
Benefits paid	(14.57)	(39.82)	(4.33)	(8.73)
Contribution by plan participants/ employees	-	12.72	-	10.83
Settlement/ transfer in	-	3.54	-	1.13
Closing defined benefit obligation	107.45	155.50	98.72	158.91

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(vii) Movements in the fair value of plan assets are as follows:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	94.20	157.71	69.96	136.55
Return on plan assets (excluding amounts included in net interest expenses)	6.62	15.76	10.58	11.18
Contributions from employer	9.63	7.73	17.99	6.75
Contributions from plan participants	-	12.72	-	10.83
Benefits paid	(14.57)	(39.82)	(4.33)	(8.73)
Settlement/ transfer in	-	3.54	-	1.13
Closing fair value of plan assets	95.88	157.64	94.20	157.71

Gratuity:

Plan assets comprises primarily of investment in HDFC Group Unit Linked Plan fund and ICICI Prudential Life Fund. The average duration of the defined benefit obligation is 9.12 years (Previous year: 9.14 years). The Company expects to make a contribution of ₹ 10.58 Crores (Previous year: ₹ 8.76 Crores) to the defined benefit plans during the next financial year.

Provident fund:

The plan assets have been primarily invested in government securities and corporate bonds.

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the 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 reporting period, while holding all other assumptions constant.

	Year ended March 31, 2022		Year ended March 31, 2021	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Sensitivity analysis of Gratuity				
Discount rate	(3.54)	3.77	(3.00)	3.20
Expected salary growth	3.72	(3.53)	3.17	(3.01)
Sensitivity analysis of Provident Fund				
Discount rate	(0.01)	0.01	(0.01)	0.01

Notes to the standalone financial statements

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(All amounts in ₹ Crores, unless otherwise stated)

33.3 Other long-term employee benefit

Amounts recognized in the statement of profit and loss in note 25 "Employee Benefits expense" under the head "Salaries and wages, including bonus" are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Long term retention pay (Refer to note (i) below)	-	-
Compensated absences	12.26	11.57
	12.26	11.57

(i) Long Term Retention Pay

The Company has a Long Term Retention Pay Plan which covers employees selected on the basis of their current band and their long term value to the Company. The incentive is payable in three year blocks subject to achievement of certain performance ratings. The Company also has a scheme for talent retention of certain identified employees under which an incentive is payable over a period of three years.

34 EMPLOYEE SHARE BASED PAYMENTS

The Company has an Employee Share Purchase Scheme (SRF Long Term Share Based Incentive Plan) to provide equity settled share based payments to eligible employees. The expenses related to the grant of shares under the Scheme are accounted for on the basis of fair value of the share on the grant date (which is the market price of the Company's share on the date of grant less exercise price). The fair value so determined is expensed on a straight line basis over the remaining tenure over which the employees renders their services.

The movement of number of equity shares granted, their fair value and the share based payment expense recognised during the year are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Number of equity shares:		
(i) At the beginning of the year	60,000	60,000
(ii) Impact of bonus issue of shares (Refer to note 13.1)	240,000	-
(iii) Granted during the year *	195,000	-
(iv) Released during the year ^	(300,000)	-
(v) At the end of the year	195,000	60,000
Market price on the grant date (₹ per equity share)	2,126.05	-
Exercise price (₹ per equity share)	10.00	-
Fair value of share based payment (₹ per equity share)	2,116.05	-
Share based payment expense recognised during the year ^ #	28.61	0.98

* These shares have a lock in period upto November 30, 2022 and are pledged for a period upto October 31, 2026.

^ During the current year, the Nomination and Remuneration Committee based upon the recommendations of the management released 300,000 equity shares from pledge, resulting into immediate vesting of these shares. As a result, an additional amount of ₹ 6.72 Crores has been recognised in the statement of profit and loss.

Includes amount of ₹ 17.50 Crores (Previous year: Nil) towards withholding tax on equity shares granted under the above scheme.

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35 SEGMENT REPORTING

Based on the guiding principles laid down in Indian Accounting Standard (Ind AS) - 108 "Segment Reporting", the Chairman & Managing Director of the Company is the Chief Operating Decision Maker (CODM) and for the purposes of resource allocation and assessment of segment performance the business of the Company is segregated in the segments below:

- Technical Textiles business: includes nylon tyre cord fabric, belting fabric, polyester tyre cord fabric and industrial yarns and its research and development
- Chemicals business: includes refrigerant gases, industrial chemicals, speciality chemicals, fluorochemicals & allied products and its research and development.
- Packaging Film business: includes polyester films and polypropylene films.
- Others: includes coated fabric, laminated fabric and other ancilliary activities.

Segment revenue, results and capital employed include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable.

In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments. These amounts relate to continuing operations, unless otherwise stated. (Refer to note 40 with regard to information in relation to discontinued operations).

b) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

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for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

A. Information about operating business segments

	Year ended March 31, 2022	Year ended March 31, 2021
Segment revenue		
a) Technical textiles business (TTB)		
- External sales	2,073.33	1,231.41
- Inter-segment sales	11.91	8.70
Total	2,085.24	1,240.11
b) Chemicals business (CB)		
- External sales	5,212.26	3,636.85
- Inter-segment sales	-	-
Total	5,212.26	3,636.85
c) Packaging films business (PFB)		
- External sales	2,327.51	1,888.04
- Inter-segment sales	-	-
Total	2,327.51	1,888.04
d) Others		
- External sales	340.34	232.02
- Inter-segment sales	-	-
Total	340.34	232.02
Total segment revenue	9,965.35	6,997.02
Less: Inter segment revenue	11.91	8.70
Revenue from operations	9,953.44	6,988.32
Add: Unallocable income	135.31	63.30
Total revenue	10,088.75	7,051.62
Segment profits		
(Profit before interest and tax from each segment)		
a) Technical textiles business (TTB)	470.84	176.90
b) Chemicals business (CB)	1,397.35	730.11
c) Packaging films business (PFB)	482.72	567.79
d) Others	20.35	25.59
Total segment results	2,371.26	1,500.39
Less: i) Interest and finance charges	94.45	111.21
Less: ii) Other unallocable expenses net of income	121.77	79.21
Profit before tax	2,155.04	1,309.97

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for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Capital expenditure		
a) Technical textiles business (TTB)	63.43	77.90
b) Chemicals business (CB)	1,292.68	618.66
c) Packaging films business (PFB)	416.20	20.46
d) Others	1.66	1.92
e) Unallocated	8.38	3.13
Total	1,782.35	722.07
Depreciation and amortisation		
a) Technical textiles business (TTB)	40.56	35.41
b) Chemicals business (CB)	303.59	273.09
c) Packaging films business (PFB)	54.72	54.13
d) Others	7.53	8.06
e) Unallocated	12.83	12.91
Total	419.23	383.60
Segment assets and liabilities		
	As at March 31, 2022	As at March 31, 2021
Segment assets		
a) Technical textiles business (TTB)	1,830.61	1,594.08
b) Chemicals business (CB)	7,154.46	5,723.01
c) Packaging films business (PFB)	2,198.19	1,667.82
d) Others	174.94	171.97
Total	11,358.20	9,156.88
Unallocable assets	1,577.02	1,554.42
Assets classified as held for sale	3.00	-
Total assets	12,938.22	10,711.30
Segment liabilities		
a) Technical textiles business (TTB)	416.95	336.77
b) Chemicals business (CB)	938.85	707.94
c) Packaging films business (PFB)	390.99	338.22
d) Others	37.02	32.85
Total	1,783.81	1,415.78
Unallocable liabilities	3,529.61	3,000.25
Total liabilities	5,313.42	4,416.03

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for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

B. Information about geographical business segments

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations		
- India	5,116.93	3,581.87
- Germany	382.97	466.31
- USA	1,399.61	477.13
- Belgium	528.32	635.51
- Switzerland	827.37	687.75
- Others	1,698.24	1,139.75
	9,953.44	6,988.32
	As at March 31, 2022	As at March 31, 2021
Non current segment assets		
- Within India	7,938.50	6,505.08
- Outside India	-	-
	7,938.50	6,505.08

Non-current segment assets includes property, plant and equipments, right-of-use assets, capital work in progress, intangible assets, goodwill and other non current assets.

During the year ended March 31, 2022 no customer contributed more than 10% to the Company's revenue (Previous year: one customer contributed 10.71% to the Company's revenue).

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from major products		
a) Technical textiles business (TTB)		
Nylon tyre cord fabric/ Polyester tyre cord fabric/ Belting fabric	1,880.90	1,122.94
Synthetic filament yarn including industrial yarn/ Twine	165.78	97.21
Others	5.16	0.62
b) Chemicals business (CB)		
Speciality chemicals	3,100.32	2,389.39
Fluorochemicals, Refrigerant gases and Allied products	1,695.53	885.95
Industrial chemicals	350.65	311.00
Others	0.01	0.75
c) Packaging films business (PFB)		
Packaging films	2,301.59	1,853.37
d) Others		
Laminated fabric, Coated fabric and other ancilliary activities	336.61	226.26
	9,836.55	6,887.49

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for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

36 EARNINGS PER SHARE (EPS)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share	1,507.01	925.06
Weighted average number of equity shares for the purpose of calculating basic and diluted earnings per share (numbers)	296,306,696	295,263,898
Basic and diluted earnings per share of face value ₹ 10 each	50.86	31.33

Note:

During the current year, the Company has issued and allotted 236,980,820 fully paid up Bonus Equity shares of ₹ 10 each in the ratio of 4:1 (i.e. 4 Bonus Equity shares for every 1 existing equity share of the Company) to the shareholders who held shares on October 14, 2021 (Record date). Accordingly, basic and diluted earnings per share has been calculated based on the weighted average number of shares outstanding in the current and previous year, as adjusted by issuance of bonus shares.

37 LEASES

The Company leases various types of assets including land, buildings and plant and equipment. Information about leases for which the Company is a lessee is presented below.

Right-of-use assets	Land *	Buildings	Plant and equipment	Total
Cost				
Balance at March 31, 2020	148.04	44.98	50.63	243.65
Additions / adjustments	3.25	2.13	1.86	7.24
Disposals	-	(0.86)	(2.60)	(3.46)
Balance at March 31, 2021	151.29	46.25	49.89	247.43
Additions / adjustments	4.88	(0.45)	58.59	63.02
Disposals	-	-	(8.20)	(8.20)
Balance at March 31, 2022	156.17	45.80	100.28	302.25
Accumulated amortisation				
Balance at March 31, 2020	0.87	6.76	8.44	16.07
Depreciation expenses	1.68	7.07	9.31	18.06
Disposals	-	(0.86)	(2.60)	(3.46)
Balance at March 31, 2021	2.55	12.97	15.15	30.67
Depreciation expenses	1.74	6.59	16.10	24.43
Disposals	-	-	(8.20)	(8.20)
Balance at March 31, 2022	4.29	19.56	23.05	46.90

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Right-of-use assets	Land *	Buildings	Plant and equipment	Total
Carrying Amount				
Balance at March 31, 2020	147.17	38.22	42.19	227.58
Additions / adjustments	3.25	2.13	1.86	7.24
Disposals	-	-	-	-
Depreciation expenses	(1.68)	(7.07)	(9.31)	(18.06)
Balance at March 31, 2021	148.74	33.28	34.74	216.76
Additions / adjustments	4.88	(0.45)	58.59	63.02
Disposals	-	-	-	-
Depreciation expenses	(1.74)	(6.59)	(16.10)	(24.43)
Balance at March 31, 2022	151.88	26.24	77.23	255.35

* Refer note 41(g)(ii)

Lease liabilities included in the Balance Sheet	As at March 31, 2022	As at March 31, 2021
Current	20.66	13.80
Non-current	95.18	63.83

The average incremental borrowing rate applied to lease liabilities during the year ranges from 6.40% to 7.00% (Previous year: ranges from 6.50% to 8.00%)

Amounts recognised in Statement of Profit and Loss	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilities	8.69	6.49
Depreciation expense	24.43	18.06
Expenses relating to short-term leases and leases of low-value assets (Refer note 28)	27.54	15.62

Amounts recognised in Cash Flow Statement	Year ended March 31, 2022	Year ended March 31, 2021
Total cash outflow for leases	25.68	20.19

Notes to the standalone financial statements

for the year ended March 31, 2022

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38 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

38.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders by maintaining a reasonable balance between debt and equity. The capital structure of the Company consists of net debt (borrowings net of cash and cash equivalents, deposit accounts with maturity beyond three months upto twelve months and current investments) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on periodic basis. As part of its review, the management considers the cost of capital and risk associated with each class of capital. The Company also evaluates its gearing measures using Debt Equity Ratio to arrive at an appropriate level of debt and accordingly evolves its capital structure.

The following table provides the details of the debt and equity at the end of the reporting periods :

	As at March 31, 2022	As at March 31, 2021
Debt and lease liabilities	2,890.74	2,652.71
Less:		
Cash and cash equivalents	319.64	86.72
Deposit accounts with maturity beyond three months upto twelve months	0.20	135.19
Current investments	316.74	412.52
Net debt	2,254.16	2,018.28
Total equity	7,624.80	6,295.27
Net debt to equity ratio	0.30	0.32

38.2 Financial instruments by category

Financial assets	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Measured at amortised cost						
Trade Receivables		a	1,350.99	1,012.00	1,350.99	1,012.00
Cash and cash equivalents		a	319.64	86.72	319.64	86.72
Bank balances other than above		a	8.87	143.71	8.87	143.71
Loans		a,b	588.47	666.28	588.47	666.28
Other financial assets		a,b	238.71	180.00	238.71	180.00
			2,506.68	2,088.71	2,506.68	2,088.71

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Financial assets	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Measured at Fair value through profit and loss						
Investments in mutual funds and bonds / debentures	2	d	316.74	412.52	316.74	412.52
Derivative instruments	2	d	3.64	4.39	3.64	4.39
			320.38	416.91	320.38	416.91
Measured at Fair value through Other comprehensive income						
Investments in unquoted equity instruments	3	d	4.16	4.16	4.16	4.16
Derivative instruments	2	d	124.69	75.76	124.69	75.76
			128.85	79.92	128.85	79.92
Financial liabilities	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Measured at amortised cost						
Borrowings		a,c	2,774.90	2,184.49	2,774.90	2,184.49
Trade payables		a	1,340.37	1,196.49	1,340.37	1,196.49
Other financial liabilities		a	301.68	499.66	301.68	499.66
			4,416.95	3,880.64	4,416.95	3,880.64
Measured at Fair value through profit and loss						
Derivative instruments	2	d	-	-	-	-
			-	-	-	-
Measured at Fair value through Other comprehensive income						
Derivative instruments	2	d	-	0.54	-	0.54
			-	0.54	-	0.54

The following methods/ assumptions were used to estimate the fair values:

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

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- The fair value of other long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.
- The fair value is determined by using the valuation model/ technique with observable/ non-observable inputs and assumptions.
- Investment value excludes investment in subsidiaries which are shown at cost in balance sheet as per Ind AS 27 "Separate financial statements".

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2022 and March 31, 2021.

Level 1:

Quoted prices in the active market: This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2:

Valuation techniques with significant observable inputs: This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of over the counter (OTC) derivative contracts, open ended mutual funds, bonds and debentures.

Level 3:

Valuation techniques with significant unobservable inputs: This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Investments in mutual funds and bonds / debentures: Fair value is determined by reference to quotes from the financial institutions.
- Derivative contracts: The Company has entered into various foreign currency contracts and interest rate swaps contracts to manage its exposure to fluctuations in foreign exchange rates and interest rate respectively. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the authorized dealers banks and forward exchange rates at the balance sheet date.
- Unquoted equity investments: Fair value is determined based on the recoverable value as per agreement with the investee.

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(All amounts in ₹ Crores, unless otherwise stated)

Reconciliation of Level 3 fair value measurements	Unlisted equity instruments	Financial Guarantee Contracts
As at March 31, 2020	4.16	-
Purchase of investment	-	-
As at March 31, 2021	4.16	-
Purchase of investment	-	-
As at March 31, 2022	4.16	-

Sensitivity of the fair value measurement to changes in unobservable inputs for financial instruments in Level 3 level of hierarchy is insignificant.

38.3 Financial Risk Management

The Company is exposed to various financial risks arising from its underlying operations and finance activities. The Company is primarily exposed to market risk (i.e. interest rate and foreign currency risk) and to credit risk and liquidity risk. The Company's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management within the Company is governed by policies and guidelines approved by the senior management and the Board of Directors. These policies and guidelines cover interest rate risk, foreign currency risk, credit risk and liquidity risk. Company policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function within the Company. Review of the financial risk is done on a monthly basis by the Managing Director and on a quarterly basis by the Board of Directors. The objective of financial risk management is to contain, where deemed appropriate, exposures on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the Company's results and financial position.

In accordance with its financial risk management policies, the Company manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. It is the Company's policy and practice neither to enter into derivative transactions for speculative purpose, nor for any purpose unrelated to the underlying business. The Board of Directors / Managing Director reviews and approves policies for managing each of the above risks.

38.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The Company enters into derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk.

A. Foreign Currency Risk Management

Foreign currency risk also known as Exchange Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign currency risk in the Company is attributable to Company's operating activities, investing activities and financing activities.

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(All amounts in ₹ Crores, unless otherwise stated)

In the operating activities, the Company's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). In compliance with the Board approved policy, the Company manages the net exposure on a rolling 12 month basis and for exposures between 12 to 36 months, hedging is done based on specific exposure. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the Company are mainly in U.S. Dollar (USD), Euro (EUR), Japanese Yen (JPY) and British Pound Sterling (GBP). The Company's exposure to foreign currency changes for all other currencies is not material.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in ₹ are as follows:

	Assets		Liabilities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD	870.29	729.29	2,205.38	1,903.09
EUR	282.87	257.67	547.26	512.07
JPY	-	-	6.33	9.95
GBP	6.73	3.15	0.01	13.12

Foreign currency sensitivity analysis

The Company is mainly exposed to changes in USD, EUR, JPY and GBP exchange rates.

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ strengthens by 1%	₹ weakens by by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) *				
USD	4.58	(4.58)	6.10	(6.10)
EUR	(1.11)	1.11	(2.52)	2.52
JPY	0.06	(0.06)	0.10	(0.10)
GBP	(0.07)	0.07	0.10	(0.10)
Impact on equity (Other Comprehensive Income)				
USD	8.62	(8.62)	5.49	(5.49)
EUR	3.75	(3.75)	5.08	(5.08)

* Includes sensitivity on long-term foreign currency monetary items on which Para D13 AA of Ind AS 101 has been applied. Accordingly, the exchange loss/ (gain) arising on long term foreign currency monetary items relating to acquisition of depreciable assets will be added to/ deleted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of assets.

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Foreign exchange derivative and non-derivative financial instruments

The Company uses derivative as well as non-derivative financial instruments for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within of 1 to 36 months for hedges of forecasted sales, purchases, loans and liabilities and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contracts*	No of Deals		Contract Value of Foreign Currency (In Millions)		Maturity			
					Up to 12 months Nominal Amount* (₹ Crores)		More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD / INR Sell forward	362	264	735.50	513.25	2,821.04	2,029.40	3,095.66	1,998.63
EUR / INR Sell forward	1	17	20.00	40.50	-	181.53	202.77	202.77

* Computed using average forward contract rates

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in forward rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) for the year				
USD	1.83	(1.83)	1.76	(1.76)
EUR	-	-	0.34	(0.34)
Impact on equity (Other Comprehensive Income)				
USD	56.31	(56.31)	37.82	(37.82)
EUR	1.81	(1.81)	3.40	(3.40)

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B. Interest Rate Risk Management

Interest rate risk arises from movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings. The Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts, calculated by reference to an agreed principal amount outstanding at the time of inception of the swap. Out of the total long term borrowings, the amount of fixed interest loan is ₹ 938.35 Crores and floating interest loan is ₹ 916.26 Crores (Previous year: Fixed interest loan ₹ 898.59 Crores and Floating interest loan ₹ 917.02 Crores).

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate long term borrowings, as follows:

	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %
Increase in profit before tax by	1.29	0.99	2.85	0.52

In case of increase in interest rate by above mentioned percentage, there would be a comparable negative impact on the profit before tax as mentioned above.

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Company has exposures to USD-LIBOR and EUR-IBOR on its financial instruments. The Company has renegotiated all working capital facilities agreements and have moved to new benchmarks, wherever IBOR reforms had mandated.

As per the IBOR reform regulations, USD LIBOR based contracts entered into on or before December 31, 2021 are allowed to continue utilising the facility until the maturity date, provided such date is before June 30, 2023. The Company has certain loans which falls under this category and accordingly, the management has taken a decision to continue on 1 Month / 3 Months / 6 Months LIBOR. All the EUR denominated long term loans of the Company are linked to EURIBOR and thus not impacted by IBOR reforms.

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The Company has two loans (USD-LIBOR benchmark linked) which are maturing after June 2023 and the management has planned to migrate these loans to SOFR (secured overnight financing rate) benchmark prior to June 2023, along with IRS contract, if any. The management does not envisage any significant impact on the financial statements due to the migration.

Interest Rate Swap Contracts

Under interest rate swap (IRS) contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on the agreed notional principal amounts. Such contracts enables the Company to mitigate the risk of changing interest rates.

The following table details the IRS contracts outstanding at the end of the reporting period:

Outstanding Contracts*	No of Deals		Contract Value of Foreign Currency (In Millions)		Maturity			
					Up to 12 months Nominal Amount*		More than 12 months Nominal Amount*	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
IRS Contracts*	4	4	20.28	31.05	90.76	85.49	62.79	141.68

* Sensitivity on the above IRS contracts in respect of interest rate exposure is insignificant

Each of the above trades are in the nature of cash flow hedges and are effective hedges. The mark to market on these trades is therefore routed through Cash flow Hedge Reserve. The interest rate swap and the interest payments on the loan are paid simultaneously and are charged off to the statement of profit and loss.

C. Hedge accounting

Cash flow hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2022			Year ended March 31, 2022			As at March 31, 2021			Year ended March 31, 2021		
	Nominal amount	Carrying amount	Line item where the Assets / hedging (liabilities) instrument is included	Change in the value of the hedging instrument recognised in OCI	Nominal amount	Carrying amount	Line item where the Assets / hedging (liabilities) instrument is included	Change in the value of the hedging instrument recognised in OCI	Nominal amount	Carrying amount	Line item where the Assets / hedging (liabilities) instrument is included	Change in the value of the hedging instrument recognised in OCI
Foreign exchange contracts	5,932.96	121.17	Other financial assets (current and non - current)	46.42	4,197.13	74.75	Other financial assets (current and non - current)	140.37				
Foreign currency denominated loans	1,236.86	(1,236.86)	Borrowings (current and non - current)	8.20	1,055.91	(1,055.91)	Borrowings (current and non - current)	(1.27)				

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Hedging instruments	As at March 31, 2022			Year ended March 31, 2022			As at March 31, 2021			Year ended March 31, 2021		
	Nominal amount	Carrying amount	Line item where the Assets / hedging (liabilities) instrument is included	Change in the value of the hedging instrument recognised in OCI	Nominal amount	Carrying amount	Line item where the Assets / hedging (liabilities) instrument is included	Change in the value of the hedging instrument recognised in OCI	Nominal amount	Carrying amount	Line item where the Assets / hedging (liabilities) instrument is included	Change in the value of the hedging instrument recognised in OCI
Interest rate swap contracts	153.55	3.52	Other financial assets (current and non - current)	2.51	227.17	1.01	Other financial assets (current and non - current)	1.01				
			- Other financial liabilities (current and non - current)	0.54		(0.54)	Other financial liabilities (current and non - current)	1.88				

Fair Value hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2022			Year ended March 31, 2022			As at March 31, 2021			Year ended March 31, 2021		
	Nominal amount	Carrying amount	Line item where the Assets / hedging (liabilities) instrument is included	Change in the value of the hedging instrument recognised in statement of profit and loss	Nominal amount	Carrying amount	Line item where the Assets / hedging (liabilities) instrument is included	Change in the value of the hedging instrument recognised in statement of profit and loss	Nominal amount	Carrying amount	Line item where the Assets / hedging (liabilities) instrument is included	Change in the value of the hedging instrument recognised in statement of profit and loss
Foreign exchange contracts	186.51	3.64	Other financial assets (current and non - current)	(0.74)	215.21	4.39	Other financial assets (current and non - current)	4.44				

Movement of cash flow hedging reserve and cost of hedging reserve

Particulars	Cash flow hedging reserve		Cost of hedging reserve	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Opening Balance	7.53	(78.56)	0.62	-
Changes in the spot element of the forward contracts which is designated as hedging instruments for time period related hedge	(3.12)	7.04	-	-

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Particulars	Cash flow hedging reserve		Cost of hedging reserve	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Changes in the forward element of the forward contracts where changes in spot element of forward contract is designated as hedging instruments for time period related hedges	-	-	20.83	3.87
Changes in fair value of forward contracts designated as hedging instruments	28.77	130.71	-	-
Changes in fair value of interest rate swaps	3.05	2.89	-	-
Amount reclassified to Profit or Loss (Foreign exchange (gain) / loss)	16.54	3.12	(19.35)	(2.92)
Amount arising from remeasurement of financial liability	(5.25)	(11.43)	-	-
Taxes related to above	(13.03)	(46.24)	(0.45)	(0.33)
Closing Balance	34.49	7.53	1.65	0.62

38.3.2 Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables, loans and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with counterparties who meet the parameters specified in Investment Policy of the Company. The investment policy is reviewed by the Company's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as to minimize the concentration of risks and therefore mitigate financial loss due to counterparty's potential failure.

Expected credit loss on financial assets:

To manage credit risk for trade receivables, the Company establishes credit approvals and credit limits, periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

With regard to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on these financial assets other than as detailed below.

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Loss allowance for the following financial assets have been recognised by the Company:

	Note No.	As at March 31, 2022	As at March 31, 2021
Loans - current	6	2.74	2.74
Trade receivables	10	2.28	3.96
		5.02	6.70

Movement of loss allowance :

	Loans (current and non current)	Trade receivables
As at March 31, 2020	2.74	2.46
Provided during the year	0.24	11.82
Reversed / utilised during the year	(0.24)	(10.32)
As at March 31, 2021	2.74	3.96
Provided during the year	0.17	0.59
Reversed / utilised during the year	(0.17)	(2.27)
As at March 31, 2022	2.74	2.28

Other than financial assets mentioned above, none of the Company's financial assets are impaired, as there are no indications that defaults in payments obligation would occur.

38.3.3 Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the Company to meet its financial obligations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of money market instruments, bank overdrafts, bank loans, debentures and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director, Chief Financial Officer and Treasury Head. The Company assesses the concentration of risk with respect to refinancing its debt, guarantee given and funding of its capital expenditure needs of the future. The Company manages its liquidity by holding appropriate volumes of liquid assets which are available for its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyze the Company's financial liabilities into relevant maturity profiles based on their contractual maturities:

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2022				
Borrowings*	1,613.26	1,211.71	-	2,824.97
Lease Liabilities**	28.63	84.50	59.52	172.65
Trade payables	1,340.37	-	-	1,340.37
Other financial liabilities	148.15	153.53	-	301.68
	3,130.41	1,449.74	59.52	4,639.67

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2021				
Borrowings*	1,198.91	1,466.63	-	2,665.54
Lease Liabilities**	19.30	53.85	53.68	126.83
Trade payables	1,196.49	-	-	1,196.49
Other financial liabilities	109.08	0.54	-	109.62
	2,523.78	1,521.02	53.68	4,098.48

* Includes current maturity of non-current borrowings and future cash outflow towards estimated interest on non-current borrowings

** Includes future cash outflow towards estimated interest on lease liabilities.

39 Contract balances

The following table provides information about contract liabilities from contracts with customers:

Contract liability	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	13.53	10.75
Revenue recognised that was included in the contract liability balance at the beginning of the period	(13.53)	(10.75)
Increase due to cash received, excluding the amount recognised as revenue during the period	23.85	13.53
	23.85	13.53

40 Assets held for sale

(a) Description:

During the current year, the management has decided to dispose off inoperative assets related to Industrial Yarn Unit. Accordingly, these assets have been classified as assets held for sale in terms of Ind AS 105- "Non-current assets held for sale and discontinued operations" and recognised at their estimated fair value. Till previous year, these assets were reported under "Technical textiles business segment" in accordance with the requirements of Ind AS 108 – "Operating Segments" in the financial statements.

(b) Assets classified as held for sale:

	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment	3.00	-

(c) Loss recognised on:

	Year ended March 31, 2022	Year ended March 31, 2021
(i) Impairment of goodwill	0.62	-
(ii) Fair value of assets classified as held for sale	5.75	-

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

41 ADDITIONAL DISCLOSURES

(a) RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹ 116.99 Crores (Previous year: ₹ 110.50 Crores) included in these financial statements are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Capital expenditure	8.49	13.46
Revenue expenditure	108.50	97.04
	116.99	110.50

The details of revenue expenditure incurred on research and development is as below:

	Year ended March 31, 2022	Year ended March 31, 2021
Cost of material consumed	1.68	2.73
Salaries and wages, including bonus	49.11	42.97
Contribution to provident and other funds	2.92	2.61
Workmen and staff welfare expenses	3.37	2.72
Stores and spares consumed	4.94	6.11
Power and fuel	7.94	4.84
Rent	0.26	-
Repairs and maintenance		
- Buildings	-	-
- Plant and machinery	10.63	8.32
- Others	0.85	0.58
Insurance	1.02	0.96
Rates and taxes	0.06	0.07
Travelling and conveyance	0.51	0.16
Legal and professional charges	4.12	3.58
Depreciation and amortisation expense	16.65	18.33
Interest cost	0.05	0.28
Miscellaneous expenses	4.39	2.78
	108.50	97.04

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(b) MANAGERIAL REMUNERATION

	Year ended March 31, 2022	Year ended March 31, 2021
(i) (a) Remuneration to Chairman/ Managing Director/ Deputy Managing Director/ Whole time Director		
Salary and contribution to provident and other funds	16.39	12.04
Value of perquisites	2.58	2.36
Commission	18.00	12.00
SUB-TOTAL	36.97	26.40
(b) Remuneration to Non Executive Directors		
Commission	0.90	0.84
Directors' sitting fees	0.29	0.27
Other fees	0.06	0.14
SUB-TOTAL	1.25	1.25
TOTAL	38.22	27.65

ii) Computation of managerial remuneration in accordance with section 197 of the Companies Act, 2013

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before taxation	2,155.04	1,309.97
Add:		
Managerial remuneration including commission	38.22	27.65
Loss/ write off of fixed assets as per accounts	10.73	1.37
Provision for doubtful debts/ advances/ investments	(1.68)	1.44
Sub Total	47.27	30.46
Less:		
Profit on sale of fixed assets as per accounts	3.09	0.39
Net Gain on financial assets measured at FVTPL	7.06	25.45
Excess Provision written back	2.59	11.42
Sub Total	12.74	37.26

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit as per section 197 of the Companies Act, 2013	2,189.57	1,303.17
Maximum remuneration as commission and/ or salary including perquisites @ 10% of net profit of ₹ 2,189.57 Crores (Previous year: ₹ 1,303.17 Crores) which can be paid to Managing Directors/ Whole time Directors under section 197 of the 2013 Act	218.96	130.32
Remuneration paid/ payable to Managing Directors / Whole Time Directors	36.97	26.40
Maximum remuneration payable to Non-Executive Directors @ 1% of net profit of ₹ 2,189.57 Crores (Previous year: ₹ 1,303.17 Crores) under section 197 of the 2013 Act	21.90	13.03
Remuneration paid/ payable to Non-Executive Directors	1.25	1.25

- (c) The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13 AA of Ind AS 101. Accordingly, exchange loss/ (gain) arising on all long term monetary items financed or re-financed on or before March 31, 2016 relating to acquisition of following depreciable assets are added to/ adjusted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of such assets.

	Year ended March 31, 2022	Year ended March 31, 2021
Exchange loss/ (gain) added/ (adjusted)		
Property, plant and equipment		
- Plant and equipment	5.90	(8.60)
	5.90	(8.60)

The cumulative exchange loss/ (gain) added/ (adjusted) and remaining unamortised as at March 31, 2022 is ₹ 122.66 Crores (Previous year: ₹ 130.49 Crores).

- (d) Disclosures pursuant to section 186(4) of the Companies Act, 2013 and regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as applicable:

(i) Details of guarantees:

Nature of Guarantees	Purpose
Refer note 31 (c) above	To secure the financial facilities sanctioned to subsidiaries by banks and other companies.

(ii) Details of investments:

Nature of Investments	Purpose
Refer note 5.1 above	Investment in wholly owned subsidiaries.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(iii) Details of unsecured loans given:

Particulars of loans	Terms	As at March 31, 2022	As at March 31, 2021
SRF Global BV (denominated in USD) - given for repayment of existing borrowings and general corporate purpose	Principal amount repayable from March 2023 to March 2025 (Previous year: December 2021 to March 2023). Interest on a fixed rate basis, payable annually. The effective yield is in compliance with Section 186 of the Companies Act, 2013.		
As at the beginning of the year		438.90	-
Given during the year		227.45	439.45
Received back during the year		(274.66)	-
Foreign currency exchange fluctuation gain / (loss)		5.89	(0.55)
As at end of the year		397.58	438.90
Maximum balance outstanding		611.97	439.45
SRF Global BV (denominated in EUR) - given for prepayment of existing borrowings	Principal amount repayable in June 2023. Interest on a fixed rate basis, payable annually. The effective yield is in compliance with Section 186 of the Companies Act, 2013.		
As at the beginning of the year		171.55	-
Given during the year		-	178.03
Foreign currency exchange fluctuation gain / (loss)		(3.41)	(6.48)
As at end of the year		168.14	171.55
Maximum balance outstanding		171.55	178.03
SRF Altech Limited (denominated in INR) - given for incorporation expenses	Repayable on demand. Interest payable within 60 days from the end of calendar quarter at 5% per annum.		
As at the beginning of the year		-	-
Given during the year		2.75	-
Received back during the year		(2.75)	-
As at end of the year		-	-
Maximum balance outstanding		2.75	-

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(e) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2022 is to be conducted on or before due date of the filing of return and the Company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

(f) Disclosure on corporate social responsibility expense:

	Year ended March 31, 2022	Year ended March 31, 2021
(i) Amount required to be spent by the company during the year	18.61	12.88
(ii) Amount of expenditure incurred	19.06 *	10.18
(iii) Shortfall at the end of the year	-	2.70 ^
(iv) Total of previous years shortfall	-	-
(v) Reason of shortfall	-	Pertains to ongoing projects
(vi) Nature of CSR activities	School education, disaster management, environmental projects, Covid 19 Relief, Vocational skill and livelihoods projects and promotion of art and cultural projects.	
(vii) Details of related party transactions	21.38	9.18
(viii) Provision made with respect to a liability incurred by entering into a contractual obligation	-	-

^ Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the unspent amount was subsequently deposited in a "Unspent CSR Account" and also utilised during the year ended March 31, 2022.

* This includes ₹ 18.68 Crores pertaining to current year and ₹ 0.37 Crore pertaining to previous year. In accordance with the above amended rules, the Company had taken credit for ₹ 0.37 Crore for excess CSR expenditure incurred during financial year 2019-20 and adjusted the same towards the CSR obligation for financial year 2020-21. However, the Ministry of Corporate Affairs (MCA), through its circular dated August 25, 2021, clarified that the companies cannot set off excess CSR amount spent prior to financial year 2020-21. Accordingly, an amount of ₹ 0.37 crore has been transferred to one of the specified funds prescribed under Schedule VII to the Companies Act, 2013 before September 30, 2021.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(g) OTHER STATUTORY INFORMATION

(i) Analytical ratios:

	Year ended March 31, 2022	Year ended March 31, 2021	% change	Reason for change, wherever more than 25%
(i) Current ratio (Total current assets / Total current liabilities)	1.35	1.43	(5.57)%	Not applicable
(ii) Debt-equity ratio (Total debt including lease liabilities / Total equity)	0.38	0.42	10.03%	Not applicable
(iii) Debt service coverage ratio [(Earnings before depreciation, interest and tax - current tax) / (Gross interest and lease payments + scheduled principal repayment of long term debts)]	4.06	1.70	138.32%	Better operating margins resulting in higher cash flows, lower cost of borrowing, and lower scheduled principal repayment of long term debts.
(iv) Return on equity ratio (Profit after tax / Average equity)	21.65%	16.85%	28.50%	Increase in PAT by 62.91% from ₹ 925.06 Crores to ₹ 1507.01 Crores.
(v) Inventory turnover ratio (Sale of products / Average inventory)	6.48	5.75	12.70%	Not applicable
(vi) Trade receivables turnover ratio (Sale of products / Average trade receivables)	8.33	7.74	7.63%	Not applicable
(vii) Trade payables turnover ratio (Purchases of raw materials / Average trade payables)	3.95	3.17	(24.65)%	Not applicable
(viii) Net capital turnover ratio (Sale of products / Working capital)	8.82	6.30	39.97%	Increase in sales turnover.
(ix) Net profit ratio (Profit after tax / Total revenue from operations including other operating income)	15.14%	13.24%	14.38%	Not applicable
(x) Return on capital employed [Earnings before interest and tax / (Total equity - other intangible assets - goodwill + total debt + deferred tax liability)]	20.41%	15.51%	31.62%	Higher earnings before interest and tax by 58.28% and capital employed increase by 20.26%.
(xi) Return on investment * (Income generated from investments / Weighted average investments)	6.09%	5.41%	12.57%	Not applicable

* Mutual funds, bonds and debentures are considered for the purpose of computing return on investment.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(ii) Details of title deeds of immovable property not held in name of the Company:

Relevant line item in the Balance sheet	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
Right-of-use assets	Land at Bharuch, Dahej, Gujarat	₹ 109.29 Crores (carrying amount)	Gujarat Industrial Development Corporation (GIDC) at Dahej, Gujarat	No	From June 2009 onwards (by multiple allotment orders)	The execution of lease deed of land in respect of 1,165,437 square meters of leasehold land already allotted (out of a total of 1,181,776 square meters) to the Company is pending. As a process agreed with GIDC, the same will be executed once the entire / substantial portion of the above piece of land is allotted / handed over to the Company.

(iii) The Company does not have any transactions with companies which are struck off, except the following:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021	Relationship with the struck off company, if any
Jyotsna Engineers & Consultants Private Limited	Receivables	^	^	Vendor
Krishna Freeze Private Limited	Payables	0.01	0.01	Customer
Perfect Refcon & Tools Private Limited	Payables	0.01	0.01	Customer

^ Amount in absolute ₹ 2,000 (Previous year: ₹ 2,000)

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

- (iv) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (v) The Company is not declared a wilful defaulter by any bank or financial institution or any other lender.
- (vi) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vii) The company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (viii) There are no funds which 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - a) 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
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) There are no funds which have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - a) 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
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) The Company does not have any 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).
- (xi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (h) The figures for the previous year have been regrouped wherever necessary to comply with amendments in Schedule III of the Companies Act, 2013.

As per our report of even date attached For and on behalf of the Board of Directors

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration no.

101248W / W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place : Gurugram

Date : May 27, 2022

Ashish Bharat Ram

Chairman and Managing

Director

DIN - 00671567

Place : Gurugram

Date : May 09, 2022

Rahul Jain

President & CFO

Place : Gurugram

Date : May 09, 2022

Kartik Bharat Ram

Joint Managing Director

DIN - 00008557

Place : Gurugram

Date : May 09, 2022

Bharti Gupta Ramola

Director

DIN - 00356188

Place : Gurugram

Date : May 09, 2022

Rajat Lakhanpal

Vice President

(Corporate Compliance)

and Company Secretary

Place : Gurugram

Date : May 09, 2022

Independent Auditor's Report

To the Members of SRF Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of SRF Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant 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 of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, 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.

Description of Key Audit Matter

Accounting for derivatives

The key audit matter	How the matter was addressed in our audit
<p>An important element of Group’s fund-raising strategy involves various types of borrowings, including, foreign currency denominated borrowings and a combination of fixed and floating interest rates, and also foreign currency denominated loans and advances to other parties. The Group’s operating activities are also exposed to significant foreign exchange risk (refer to note 40 of the consolidated financial statements).</p> <p>The Group uses derivative financial instruments to mitigate foreign currency risk and interest rate risk primarily through foreign currency forward exchange contracts and interest rate swaps.</p> <p>Further, the Group has been using hedge relationship designation as per criteria set out in relevant Indian accounting standards.</p> <p>Accounting thereof and related presentation and disclosures of these transactions require significant judgement.</p> <p>Given the significant level of judgement and estimation involved and the quantitative significance, we have determined this to be a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> – Tested the design, implementation and operating effectiveness of controls over the Group’s treasury and other related functions which directly impact the relevant account balances and transactions, including hedge accounting. – For selected samples via statistical sampling, obtained external confirmations from counterparties of the year end positions as well as agreed to original agreements. – Performed sample tests of valuation and accounting of these transactions. In doing so we have involved valuation specialists to assist us in carrying out aforesaid procedure, as considered necessary. – Assessed the adequacy of disclosures in the financial statements in respect of both non-derivative and derivative financial instruments.

Other Information

The Holding Company’s Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company’s annual report, but does not include the consolidated financial statements and our auditor’s report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s and Board of Directors’ Responsibilities for the Consolidated Financial Statements

The Holding Company’s Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors/Trustees of the companies/entity included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company/entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and

maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors/ Trustees of the companies/entity included in the Group are responsible for assessing the ability of each company/entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/ Trustees either intends to liquidate the Company/ Entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/Trustees of the companies/entity included in the Group are responsible for overseeing the financial reporting process of each company/entity.

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 control 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 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated 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 appropriateness of this assumption. 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 such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which

we are the independent auditors. For the 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 paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 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 Matters

- (a) We did not audit the financial information of eight subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of ₹ 4,120.82 Crores as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 2,613.96 Crores and net cash inflows (before consolidation adjustments) amounting to ₹ 79.23 Crores for the year ended on that date, as considered in the consolidated financial statements. 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 statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Certain of 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 information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

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 Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 (A) 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 such subsidiaries as were audited by other auditors, as noted in

the "Other Matters" 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 purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account 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 the 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, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 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 financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements.
 - b) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 40 to the consolidated financial statements in respect of such items as it relates to the Group.
 - c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by its subsidiary companies incorporated in India during the year ended 31 March 2022.
 - d) (i) The respective managements of the Company and its subsidiaries, which are incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, as disclosed in the note 47(f)(i) to the accounts, no funds 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 or any of such subsidiaries to or in

any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, 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 Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively, that, to the best of its knowledge and belief, as disclosed in the note 47(f)(ii) to accounts, no funds have been received by the Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in

the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

- e) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act. The subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Kaushal Kishore
Partner

Place: Gurugram

Membership No.: 090075

Date: 27 May 2022

UDIN: 22090075AJTDSI3005

Annexure A to the Independent Auditor's Report on Consolidated Financial Statements

(Referred to in our report of even date)

Clause (xxi) of Companies (Auditor's Report) Order, 2020

In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Kaushal Kishore

Partner

Membership No.: 090075

UDIN: 22090075AJTDSI3005

Place: Gurugram

Date: 27 May 2022

Annexure B

to the Independent Auditors' report on the consolidated financial statements of SRF Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of SRF Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria

established by the respective Company considering the essential components of internal control 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 the respective 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists,

and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 controls with reference to consolidated 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection

of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Kaushal Kishore
Partner

Place: Gurugram Membership No.: 090075
Date: 27 May 2022 UDIN: 22090075AJTDSI3005

Consolidated Balance Sheet

as at March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	8,050.54	7,497.21
Right-of-use assets	43	255.35	216.76
Capital work-in-progress	4.1	1,671.63	772.26
Goodwill	5	-	0.62
Other intangible assets	6	119.40	112.37
Financial assets			
(i) Investments	7	4.16	4.16
(ii) Loans	8	14.72	10.55
(iii) Other financial assets	10	140.52	80.58
Deferred tax assets	9	11.60	18.14
Non current tax assets (net)	22	21.31	33.74
Other non-current assets	11	233.06	244.10
Total non-current assets		10,522.29	8,990.49
Current assets			
Inventories	12	2,138.47	1,465.82
Financial assets			
(i) Investments	7	316.74	412.52
(ii) Trade receivables	13	1,792.45	1,274.56
(iii) Cash and cash equivalents	14	450.48	138.29
(iv) Bank balances other than above	15	8.87	143.71
(v) Loans	8	8.80	11.21
(vi) Other financial assets	10	225.83	225.85
Other current assets	11	309.68	266.96
Total current assets		5,251.32	3,938.92
Assets classified as held for sale	42 C	3.00	-
TOTAL ASSETS		15,776.61	12,929.41
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	297.44	60.26
Other equity	17	8,267.92	6,796.16
Total equity		8,565.36	6,856.42
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	1,753.30	1,965.01
(ii) Lease liabilities	43	95.18	63.83
(iii) Other financial liabilities	21	153.86	0.54
Provisions	19	51.58	43.55
Deferred tax liabilities (net)	9	677.46	386.16
Other non-current liabilities	23	39.56	42.77
Total non - current liabilities		2,770.94	2,501.86

Consolidated Balance Sheet (CONTD.)

as at March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Current liabilities			
Financial liabilities			
(i) Borrowings	18	1,786.05	1,425.95
(ii) Lease liabilities	43	20.66	13.80
(iii) Trade payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		55.98	33.37
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,040.37	1,551.82
(iv) Other financial liabilities	21	371.70	432.29
Other current liabilities	23	143.97	92.73
Provisions	19	7.38	8.68
Current tax liabilities (Net)	22	14.20	12.49
Total current liabilities		4,440.31	3,571.13
Total Liabilities		7,211.25	6,072.99
TOTAL EQUITY AND LIABILITIES		15,776.61	12,929.41

Summary of significant accounting policies

1-3

See accompanying notes to the consolidated financial statements

4 to 47

As per our report of even date attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**Chartered Accountants
ICAI Firm registration no.
101248W / W-100022**Kaushal Kishore**Partner
Membership No.: 090075
Place: Gurugram
Date: May 27, 2022**Ashish Bharat Ram**Chairman and Managing
Director
DIN - 00671567
Place: Gurugram
Date: May 09, 2022**Kartik Bharat Ram**Joint Managing Director
DIN - 00008557
Place: Gurugram
Date: May 09, 2022**Bharti Gupta Ramola**Director
DIN - 00356188
Place: Gurugram
Date: May 09, 2022**Rahul Jain**President & CFO
Place: Gurugram
Date: May 09, 2022**Rajat Lakhanpal**Vice President
(Corporate Compliance)
and Company Secretary
Place: Gurugram
Date: May 09, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I Revenue from operations	24	12,433.66	8,400.04
II Other income	25	115.51	66.35
III Total Income (I + II)		12,549.17	8,466.39
IV Expenses			
Cost of materials consumed	26.1	6,171.10	4,027.68
Purchases of stock-in-trade	26.2	175.59	62.92
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26.3	(279.75)	(71.66)
Employee benefits expense	27	780.00	621.40
Finance costs	28	115.93	133.95
Depreciation and amortisation expense	29	517.23	453.08
Other expenses	30	2,483.52	1,626.37
Total Expenses (IV)		9,963.62	6,853.74
V Profit before tax from continuing operations (III - IV)		2,585.55	1,612.65
VI Tax expense related to continuing operations	31		
Current tax		657.53	357.99
Deferred tax			
- MAT credit entitlement		(25.27)	(5.38)
- Others		64.37	61.79
Total tax expense related to continuing operations		696.63	414.40
VII Profit for the year from continuing operations (V - VI)		1,888.92	1,198.25
VIII Profit / (loss) before tax from discontinued operations	42 A	-	(2.73)
IX Tax expense / (credit) of discontinued operations	31	-	(2.42)
X Profit for the year from discontinued operations (VIII - IX)		-	(0.31)
XI Total Profit for the year (VII + X)		1,888.92	1,197.94

Consolidated Statement of Profit and Loss (CONTD.)

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
XII Other comprehensive income			
A Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans	17.2, 36.2	(7.47)	2.68
Income tax on item (i) above	17.2, 32	2.55	(0.84)
B Items that will be reclassified to profit or loss			
(i) Exchange differences on translation of foreign operations	17.9	1.30	36.44
(ii) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	17.3	39.99	132.33
Income tax on item (ii) above	32	(13.03)	(46.24)
(iii) Cost of hedging reserve	17.4	(2.17)	3.46
Income tax on item (iii) above	32	(0.45)	(0.33)
Total other comprehensive income for the year, net of taxes (A(i) + B(i+ii+iii))		20.72	127.50
XIII Total comprehensive income for the year (XI + XII)		1,909.64	1,325.44
Basic and Diluted earning per equity share (in ₹)	39		
From continuing operations		63.75	40.58
From discontinued operations		-	(0.01)
From continuing and discontinued operations		63.75	40.57
Summary of significant accounting policies	1-3		
See accompanying notes to the consolidated financial statements	4 to 47		

As per our report of even date attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place: Gurugram
Date: May 27, 2022

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567
Place: Gurugram
Date: May 09, 2022

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557
Place: Gurugram
Date: May 09, 2022

Bharti Gupta Ramola
Director
DIN - 00356188
Place: Gurugram
Date: May 09, 2022

Rahul Jain
President & CFO
Place: Gurugram
Date: May 09, 2022

Rajat Lakhanpal
Vice President
(Corporate Compliance)
and Company Secretary
Place: Gurugram
Date: May 09, 2022

Consolidated Cash Flow Statement

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit (loss) before tax		
- Continuing Operations	2,585.55	1,612.65
- Discontinued Operations	-	(2.73)
Adjustments for:		
Finance costs	115.93	134.01
Interest income	(24.00)	(9.02)
Net gain on sale of property, plant and equipment	(2.90)	(5.99)
Net gain on financial assets measured at fair value through profit and loss	(7.06)	(25.45)
Credit impaired assets provided / (written back)	0.95	11.94
Amortisation of grant income	(1.76)	(1.38)
Depreciation and amortisation expense	517.23	453.08
Property, plant and equipment and inventory discarded / provided	18.80	3.40
Provision / liabilities no longer required written back	(2.71)	(11.99)
Net unrealised currency exchange fluctuations loss / (gain)	(39.44)	(9.05)
Employee share based payment expense	11.11	0.97
Stamp duty on purchase of investments	0.08	0.15
Adjustments for (increase) / decrease in operating assets:-		
Trade receivables	(507.14)	(400.10)
Inventories	(665.67)	(259.83)
Loans (current)	(1.24)	1.07
Loans (non-current)	(4.16)	(0.61)
Other assets (current)	(23.11)	35.70
Other assets (non-current)	(1.85)	(3.96)
Adjustments for increase / (decrease) in operating liabilities:-		
Trade payables	510.11	480.23
Provisions	6.68	7.46
Other liabilities (non-current)	0.34	-
Other liabilities (current)	21.58	16.44
Cash generated from operations	2,507.32	2,026.99
Income taxes paid (net of refunds)	(401.60)	(255.31)
Net cash generated from operating activities	2,105.72	1,771.68
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment made for acquisition of business by subsidiary (Refer note 46)	(9.96)	-
Net sale / (purchases) of mutual funds	102.84	(188.57)
Stamp duty on purchase of investments	(0.08)	(0.15)
Interest received	31.60	0.09
Bank balances not considered as cash and cash equivalents	104.98	(134.52)
Payment for purchase of property, plant, equipment, capital work-in-progress and intangible assets	(1,832.07)	(1,214.35)
Proceeds from disposal of property, plant and equipment	14.95	9.66
Grant Received from Government of Republic of Hungary	-	28.16
Net cash used in investing activities	(1,587.74)	(1,499.68)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	0.20	750.00
Cost incurred on issue of shares	-	(11.99)
Proceeds from borrowings (Non-current)	533.15	1,304.84
Repayment of borrowings (Non-current)	(470.94)	(1,990.41)
Net proceeds / (repayment) from borrowings (Current)	84.98	14.78
Dividends on equity share capital paid	(211.74)	(140.78)
Payment towards lease liability	(25.68)	(20.19)
Finance costs paid	(117.25)	(157.36)
Net cash used in financing activities	(207.28)	(251.11)
D EFFECT OF EXCHANGE RATE CHANGES	1.49	0.96
Net movement in cash and cash equivalents	312.19	21.85
Cash and cash equivalents at the beginning of the year	138.29	116.44
Cash and cash equivalents at the end of the year (Refer to note 14)	450.48	138.29

Consolidated Cash Flow Statement (CONTD.)

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Notes:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) -7 on "Statement of Cash Flows"
- During the year, the Company paid in cash ₹ 21.75 crores (Previous year: ₹10.18 crores) towards corporate social responsibility (CSR) expenditure.
- For cash flow information of discontinued operations, Refer note 42 A
- The following table discloses changes in liabilities arising from historical activities including both cash and non cash changes.

Particulars	As at March 31, 2021	Cash flow from financing activities	Upfront fees amortised	Exchange fluctuation changes [#]	Finance cost [#]	Interim dividend declared	Lease liability recognised	Utilisation of securities premium	As at March 31, 2022
Equity share capital	60.26	0.20	-	-	-	-	-	236.98	297.44
Security Premium	736.25	-	-	-	-	-	-	(226.69)	509.56
Non current borrowings ^	2,425.26	62.20	2.24	7.79	-	-	-	-	2,497.49
Current borrowings*	965.70	84.98	-	(8.82)	-	-	-	-	1,041.86
Interest accrued	5.79	(117.25)	-	-	115.93	-	-	-	4.47
Lease liability	77.63	(25.68)	-	-	8.69	-	55.20	-	115.84
Dividend	6.57	(211.74)	-	-	-	211.89	-	-	6.72
Total	4,277.46	(207.29)	2.24	(1.03)	124.62	211.89	55.20	10.29	4,473.38

Particulars	As at March 31, 2020	Cash flow from financing activities	Upfront fees amortised	Exchange fluctuation changes [#]	Finance cost [#]	Interim dividend declared	Lease liability recognised	As at March 31, 2021
Equity share capital	58.50	1.76	-	-	-	-	-	60.26
Security Premium (net of issue expenses)	-	736.25	-	-	-	-	-	736.25
Non current borrowing ^	3,091.38	(685.57)	4.34	15.11	-	-	-	2,425.26
Current borrowings*	955.44	14.78	-	(4.52)	-	-	-	965.70
Interest accrued	29.14	(157.36)	-	-	134.01	-	-	5.79
Lease liability	87.70	(20.19)	-	-	6.49	-	3.63	77.63
Dividend	6.04	(140.78)	-	-	-	141.31	-	6.57
Total	4,228.20	(251.11)	4.34	10.59	140.50	141.31	3.63	4,277.46

^ including current maturities of long term borrowings

* excluding current maturity of long term borrowings

including amount capitalized

Summary of significant accounting policies

1-3

See accompanying notes to the consolidated financial statements

4 to 47

As per our report of even date attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration no.

101248W / W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place: Gurugram

Date: May 27, 2022

Ashish Bharat Ram

Chairman and Managing

Director

DIN - 00671567

Place: Gurugram

Date: May 09, 2022

Kartik Bharat Ram

Joint Managing Director

DIN - 00008557

Place: Gurugram

Date: May 09, 2022

Bharti Gupta Ramola

Director

DIN - 00356188

Place: Gurugram

Date: May 09, 2022

Rahul Jain

President & CFO

Place: Gurugram

Date: May 09, 2022

Rajat Lakhanpal

Vice President

(Corporate Compliance)

and Company Secretary

Place: Gurugram

Date: May 09, 2022

Consolidated Statement of Changes In Equity

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at March 31, 2020	58.50
Changes in equity share capital during the year	1.76
Balance at March 31, 2021	60.26
Changes in equity share capital during the year	237.18
Balance at March 31, 2022	297.44

(b) Other Equity

Particulars	Reserves and Surplus*						Items of other comprehensive income*					Total
	Capital reserve	General reserve	Capital redemption reserve	Debt redemption reserve	Securities Premium	Employee share based payment reserve	Retained earnings	Foreign currency translation reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedge	Cost of hedging reserve	
Balance at March 31, 2020	193.77	573.77	10.48	75.00	-	1.56	4,117.69	(14.67)	(4.22)	(78.56)	-	4,874.82
Profit for the year	-	-	-	-	-	-	1,197.94	-	-	-	-	1,197.94
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	1.84	36.44	-	86.09	3.13	127.50
Total comprehensive income for the year	-	-	-	-	-	-	1,199.78	36.44	-	86.09	3.13	1,325.44
Payment of dividend ^	-	-	-	-	-	-	(141.31)	-	-	-	-	(141.31)
Transfer from Debt redemption reserve	-	75.00	-	(75.00)	-	-	-	-	-	-	-	-
Transfer to Debt redemption reserve	-	-	-	62.50	-	-	(62.50)	-	-	-	-	-
Employee share based payments to employees	-	-	-	-	-	0.96	-	-	-	-	-	0.96
Premium on issue of equity shares (net of issue expenses) ^	-	-	-	-	736.25	-	-	-	-	-	-	736.25
Balance at March 31, 2021	193.77	648.77	10.48	62.50	736.25	2.52	5,113.66	21.77	(4.22)	7.53	3.13	6,796.16
Profit for the year	-	-	-	-	-	-	1,888.92	-	-	-	-	1,888.92
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(4.92)	1.30	-	26.96	(2.62)	20.72
Total comprehensive income for the year	-	-	-	-	-	-	1,884.00	1.30	-	26.96	(2.62)	1,909.64
Payment of dividend ^	-	-	-	-	-	-	(211.89)	-	-	-	-	(211.89)
Tax on Dividend	-	-	-	-	-	-	-	-	-	-	-	-
Employee share based payment expense	-	-	-	-	-	10.93	-	-	-	-	-	10.93
Recognised / (released) on vesting of shares issued under employee share purchase scheme	-	-	-	-	10.29	(10.23)	-	-	-	-	-	0.06
Utilisation on issue of bonus equity shares	-	-	-	-	(236.98)	-	-	-	-	-	-	(236.98)
Balance at March 31, 2022	193.77	648.77	10.48	62.50	509.56	3.22	6,785.77	23.07	(4.22)	34.49	0.51	8,267.92

* Refer note 17

^ Refer note 16.1

Summary of significant accounting policies

See accompanying notes to the consolidated financial statements

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As per our report of even date attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**

Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore

Partner
Membership No.: 090075
Place: Gurugram
Date: May 27, 2022

Ashish Bharat Ram

Chairman and Managing Director
DIN - 00671567
Place: Gurugram
Date: May 09, 2022

Kartik Bharat Ram

Joint Managing Director
DIN - 00008557
Place: Gurugram
Date: May 09, 2022

Bharti Gupta Ramola

Director
DIN - 00356188
Place: Gurugram
Date: May 09, 2022

Rahul Jain

President & CFO
Place: Gurugram
Date: May 09, 2022

Rajat Lakhanpal

Vice President
(Corporate Compliance)
and Company Secretary
Place: Gurugram
Date: May 09, 2022

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

1 CORPORATE INFORMATION

SRF Limited ("the Company") is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's equity shares are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 and 237, Second Floor, Mayur Vihar Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110091. The Company's parent company is KAMA Holdings Limited.

The principal activities of the Company and its subsidiaries (together the Group) are manufacturing, purchase and sale of technical textiles, chemicals, packaging films and other polymers.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 09, 2022.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provisions of the Act.

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation
- Share based payments

The functional currency of the Company is 'INR'. The functional currencies of Group companies are USD, THB, ZAR and EURO. The financial statements are presented in INR and all values are rounded to the nearest crores, except when otherwise indicated.

The consolidated financial statements incorporate the financial statements of the holding group and its subsidiaries. Control is achieved when the group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the group gains control until the date when the group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Necessary adjustments are made in the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies if any.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

The subsidiaries considered in the preparation of these consolidated financial statements are: -

Name of subsidiary	Country of incorporation	Proportion of ownership as at March 31, 2022	Proportion of ownership as at March 31, 2021
Indian Subsidiaries			
SRF Holiday Home Limited	India	100%	100%
SRF Altech Limited	India	100%	-
SRF Employees Welfare Trust (Controlled Trust)	India	*	*
Foreign Subsidiaries			
SRF Global BV	Netherlands	100%	100%
SRF Europe Kft (100% subsidiary of SRF Global BV)	Hungary	100%	100%
SRF Industries (Thailand) Limited (100% subsidiary of SRF Global BV)	Thailand	100%	100%
SRF Industex Belting (Pty) Limited (100% subsidiary of SRF Global BV)	Republic of South Africa	100%	100%
SRF Flexipak (South Africa) (Pty) Limited (100% subsidiary of SRF Global BV)	Republic of South Africa	100%	100%

* By virtue of management control

The group owns 22.60% (Previous year – 22.60%) in Malanpur Captive Power Limited and the same has not been considered for the purposes of consolidation, since the group does not exercise significant influence over Malanpur Captive Power Limited.

The group owns 26.32% (Previous year – 26.32%) in Vaayu Renewable Energy (Tapti) Private Limited and the same has not been considered for the purposes of consolidation, since the group does not exercise significant influence over Vaayu Renewable Energy (Tapti) Private Limited.

The principal accounting policies are set out below.

2.2 Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The group classifies all other liabilities as non-current.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the group has identified twelve months as its operating cycle for the purpose of current / non current classification of assets and liabilities.

2.3 Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

All items of property plant and equipment have been measured at fair value at the date of transition to Ind AS. The Group have opted such fair valuation as deemed cost at the transition date i.e. April 1, 2015.

Cost of acquisition or construction is inclusive of freight, duties, non recoverable taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets, upto the date of commissioning of the assets

Likewise, when a major inspection for faults is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items of property, plant and equipment and depreciated accordingly.

Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Capital Work in Progress: Project under which assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the group intends to use these for more than a period of 12 months.

2.4 Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation has been provided on the cost of assets less their residual values on straight line method on the basis of estimated useful life of assets determined by the Group which are different from the useful life as prescribed in Schedule II of the 2013 Act. The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. and are as under:

Roads	40-50 years
Buildings (including temporary structures)	5-60 years
Plant and equipment	2-40 years
Furniture and fixtures	3-20 years
Office equipment	3-20 years
Vehicles	4-5 years

Freehold land is not depreciated.

Depreciation is calculated on a pro rata basis except, assets costing upto ₹ 5,000 each, which are fully depreciated in the year of purchase.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

An item of property, plant and equipment or any significant part initially recognised of such item 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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives considered are as follows:

Trademarks / Brand	10-30 years
Technical Knowhow	30-40 years
Software	3-5 years
Other intangibles	2.5-12 years

The group has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2015 measured as per

the previous GAAP and use that carrying value as its deemed cost as of transition date.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised on disposal or when no future economic benefit are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.6 Research and development expenditure

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes.

Such development costs are capitalised if they can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses, if

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

2.7 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.8 Impairment of tangible and intangible assets other than goodwill

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual

impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an 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 groups of assets.

Impairment loss is recognised when the carrying amount of an asset or CGU exceeds its recoverable amount. In such cases, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast, which are prepared separately for each of the group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 5 years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after 5th year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

2.9 Leasing

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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 assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision

about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Group as lessee

The Group accounts for assets taken under lease arrangement in the following manner:

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the basis of remaining lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.10 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or

sale are capitalised as part of the cost of the asset. Borrowing costs incurred for the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

In case of a specific borrowing taken for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised shall be the actual borrowing costs incurred during the period less any interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset.

In case funds are borrowed generally and such funds are used for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised are calculated by applying the weighted average capitalisation rate on general borrowings outstanding during the period, to the expenditures incurred on the qualifying asset.

If any specific borrowing remains outstanding after the related asset is ready for its intended use, that borrowing is considered part of the funds that are borrowed generally for calculating the capitalisation rate.

2.11 Foreign Currencies

Transaction and balances

Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

- (i) Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

reported using the exchange rate at the date of transaction. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to exchange differences arising from cash flow hedges to the extent that the hedges are effective and those covered below.

- (ii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016

Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance useful life of the assets.

- (iii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016

The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is treated in accordance with Ind AS 21/ Ind AS 109. Refer point (i) above.

2.12 Inventories

Inventories are valued at cost or net realisable value, whichever is lower. The basis of determining the cost for various categories of inventory are as follows:

- (a) Raw materials, packing material and stores and spares including fuel - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The aforesaid items are valued below cost if the finished

products in which they are to be incorporated are expected to be sold at a loss.

- (b) Traded goods, Stock in progress and finished goods- Direct cost plus appropriate share of overheads.

- (c) By products - At estimated realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Provisions, contingent liabilities and contingent assets

Provisions

The group recognised a provision when there is a present obligation (legal or constructive) as a result of past events and it is more likely than not that an outflow of resources would be required to settle the obligation and a reliable estimate can be made.

When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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 recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

control of the group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

Contingent assets

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.14 Revenue recognition

a) Sale of goods

Revenue from sale of products is recognised upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers. Service income is recognised as and when the underlying services are performed. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as sales tax/value added tax and goods and services tax and applicable discounts and allowances.

Any fees including upfront fees received in relation to contract manufacturing

arrangements is recognised on straight line basis over the period over which the Group satisfies the underlying performance obligations. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash as per contractual terms. Advance from customers ("contract liability") is recognised when the group has received consideration from the customer before it delivers the goods.

b) Interest and dividend income

Interest income is recognised when it is probable that the economic benefits will flow to the group using the effective interest rate and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably).

c) Export incentive

The benefit accrued under the Duty Drawback scheme and other schemes as per the Export and Import Policy in respect of exports made under the said Schemes is included under the head "Revenue from Operations" under 'Export and other incentives'. Also refer policy on "Government Grants

2.15 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

a) Current tax

Current income tax assets and liabilities are measured at the amount expected to

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

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, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss account i.e. in Other comprehensive income or equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the group has a legally enforceable right for such set off.

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

are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax relating to items recognised outside profit or loss is recognised in other comprehensive income or in equity.

Deferred tax assets/liabilities are not recognised for below mentioned temporary differences:

- (i) At the time of initial recognition of goodwill;
- (ii) Initial recognition of assets or liabilities (other than in a business combination) at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- (iii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the group will pay normal income tax. Accordingly, MAT asset is recognised in the consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the group.

The group considers whether it is probable that a taxation authority will accept an

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uncertain tax treatment. If the group concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the group determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. However, if the group concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the group reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

2.16 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

A government grant that becomes receivable as compensation for expenses or losses incurred in a previous period. Such a grant is recognised in profit or loss of the period in which it becomes receivable.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the group recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants related to assets are presented in the consolidated balance sheet as deferred income and is recognised in profit or loss on a systematic basis over the expected useful life of the related assets.

2.17 Employee benefits

Short term employee benefits

Wages and salaries including non monetary benefits that are expected to be settled within the operating cycle after the end of the period

in which the related services are rendered are measured at the undiscounted amount expected to be paid

Defined contribution plans

Provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund, National pension scheme and Employees' State Insurance Corporation are defined contribution schemes. Contributions to such schemes are charged to the statement of profit and loss in the year when employees have rendered services entitling them to the contributions. The group has no obligation, other than the contribution payable to such schemes.

Defined benefit plans

The group has defined benefit plan such as gratuity, provident fund for certain category of employees administered through a recognised provident fund trust and legal severance plans.

Provision for gratuity, provident fund for certain category of employees administered through a recognised provident fund trust and legal severance plans are determined on an actuarial basis at the end of the year and charged to consolidated statement of profit and loss, other than remeasurements. The cost of providing these benefits is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability and return on plan assets), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to consolidated statement of profit and loss in subsequent periods.

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Other long term employee benefits

The group also has other long term benefits plan such as compensated absences and retention pay. Provision for compensated absences and long term retention pay are determined on an actuarial basis at the end of the year and charged to consolidated Statement of Profit and Loss. The cost of providing these benefits is determined using the projected unit credit method.

Share based payments

Equity settled share based payments to employees under SRF Long Term Share Based Incentive Plan (SRF LTIP) are measured at the fair value (which is the market price less exercise price) of the equity instruments on the grant date. This compensation cost relating to employee stock purchase scheme is amortised over the remaining tenure over which the employees renders their service on a straight line basis.

2.18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.20 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.

A) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the group are classified in three categories:

- At amortised cost
- At fair value through profit and loss (FVTPL)
- At fair value through other comprehensive income (FVTOCI)

Financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the consolidated

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statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets not classified as measured at amortised cost or FVOCI as are measured at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income.

The group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the group has transferred substantially all the risks and rewards of the asset, or (ii) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained. Any gain or loss on derecognition is recognised in profit or loss.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

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When the group has retained substantially all the risks and rewards of ownership of the transferred asset, the group continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received.

Impairment of financial assets

The group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

B) Financial liabilities and Equity instruments

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

The group's financial liabilities include borrowings and trade and other payables including derivative financial instruments.

Subsequent measurement

Borrowings

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction cost) and the redemption/repayment amount is recognised in profit and loss over the

period of the borrowings using the Effective interest rate method.

Trade and other payables

Trade and other payables represent the liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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, to realise the assets and settle the liabilities simultaneously.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Equity Instruments

Equity Instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Debt or equity instruments issued by the group are classified as either financial liability or as equity in accordance with the substance of contractual arrangements and the definitions of a financial liabilities and an equity instruments.

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2.21 Derivative and Non Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The group uses derivative financial instruments (such as forward currency contracts, interest rate swaps and full currency swaps) or non derivative financial assets/liabilities to hedge its foreign currency risks and interest rate risks. The group has opted for "Hedge Accounting" for all its derivative as well as non-derivative financial instrument used for hedging. Accordingly, at the inception of the hedge the group formally designates a hedge relationship between the 'hedging instrument' and 'hedged item' which determines the initial recognition of the financial instrument as Fair Value Hedge or Cashflow hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. These financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit and loss when the hedge item affects profit and loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the consolidated statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in consolidated profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk

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in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the consolidated statement of profit and loss. In some cases, the group separates the premium element and the spot element of a forward contract and designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. In such cases, the changes in the fair value of the premium element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as 'cost of hedging'. The changes in the fair value of such premium element or foreign currency basis spread are reclassified to profit or loss as a reclassification adjustment on a straight-line basis over the period of the forward contract or the financial instrument.

The Group also designates certain non derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for the hedge of foreign currency risk associated with highly probable transactions and, accordingly, applies cash flow hedge accounting for such relationships.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, the hedge accounting will be discontinued prospectively. Any cumulative gain or loss previously recognised in other comprehensive income remains separately in

other equity if the forecast transaction or the foreign currency firm commitment is expected to occur else the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

2.22 Fair value measurement

The group measures some of its financial instruments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the

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fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.23 Foreign Currency translation reserve

On consolidation, the assets and liabilities of foreign operations are translated into Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to

that particular foreign operation is recognised in profit or loss.

2.24 Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

2.25 Dividend

The group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.26 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The appropriate level of management must be committed to a plan to sell, an active programme to locate a buyer and complete the plan has been initiated, the sale is considered highly probable and is expected within one year from the date of classification.

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Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other assets and liabilities in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit and loss.

2.27 Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

If consideration transferred is less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in

other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

2.28 Recent Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate

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directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes.

- Classification and lease term determination of leasing arrangement – Note 2.9
- Derecognition of trade receivables and hedge effectiveness- Note 2.20
- Fair value measurement of derivative instruments – Note 2.22
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.4
- Recognition and estimation of tax expense including determination of applicable tax rate for measuring deferred tax balances– Note 2.15
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 2.17
- Assessment of impairment of financial assets and non-financial assets – Note 2.20 and Note 2.8
- Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 2.13

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4 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Cost								
Balance at March 31, 2020	382.94	74.22	836.28	6,082.10	29.01	64.30	41.70	7,510.55
Additions/adjustments	0.99	23.36	367.86	1,458.06	4.35	10.58	6.59	1,871.79
Disposals/adjustments	-	(0.45)	(6.29)	(24.63)	(0.32)	(2.44)	(3.99)	(38.12)
Effect of foreign currency exchange differences	3.37	1.13	15.79	51.63	0.34	0.70	0.01	72.97
Balance at March 31, 2021	387.30	98.26	1,213.64	7,567.16	33.38	73.14	44.31	9,417.19
Additions/adjustments	12.78	2.27	113.29	924.29	2.75	13.33	10.41	1,079.12
Disposals/adjustments	-	-	(5.84)	(60.90)	(0.54)	(3.92)	(4.85)	(76.05)
Effect of foreign currency exchange differences	(0.60)	(0.06)	(3.42)	(14.55)	0.03	0.07	(0.01)	(18.54)
Balance at March 31, 2022	399.48	100.47	1,317.67	8,416.00	35.62	82.62	49.86	10,401.72
Accumulated depreciation								
Balance at March 31, 2020	-	7.74	102.52	1,310.27	11.13	35.15	20.81	1,487.62
Depreciation expenses	-	2.14	29.68	377.63	2.42	7.55	7.36	426.78
Disposals/adjustments	-	-	(0.03)	(2.70)	(0.14)	(1.25)	(2.76)	(6.88)
Effect of foreign currency exchange differences	-	0.11	1.78	10.05	0.13	0.21	0.18	12.46
Balance at March 31, 2021	-	9.99	133.95	1,695.25	13.54	41.66	25.59	1,919.98
Depreciation expenses	-	2.47	34.93	427.66	2.61	9.12	7.85	484.64
Disposals/adjustments	-	-	(0.63)	(46.40)	(0.32)	(3.54)	(3.63)	(54.52)
Effect of foreign currency exchange differences	-	0.01	0.37	0.59	0.02	0.10	(0.01)	1.08
Balance at March 31, 2022	-	12.47	168.62	2,077.10	15.85	47.34	29.80	2,351.18
Net block								
Balance at March 31, 2021	387.30	88.27	1,079.69	5,871.91	19.84	31.48	18.72	7,497.21
Balance at March 31, 2022	399.48	88.00	1,149.05	6,338.90	19.77	35.28	20.06	8,050.54

Notes:

- Borrowing cost capitalised during the year ₹ 18.41 crores (Previous year: ₹13.07 Crores) with a capitalisation rate ranging from 0.40% to 3.55% (Previous year: 0.5% to 8.09%).
- The industrial freehold land measuring 32.41 acres at the group's plant in Gummudipoondi, Tamil Nadu had been acquired by the Company w.e.f. January 1, 2001 pursuant to a scheme of amalgamation sanctioned by the Hon'ble High court of Judicature at Madras and the Hon'ble High court of Delhi. Out of the said land, there is a dispute on a land parcel of 2.74 acres. Based on the legal documentation available, the management is of the view that the said dispute is not tenable.
- Capital expenditure incurred during the year includes ₹ 8.49 crores (Previous year - ₹ 13.46 crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 47 (a) below.
- Refer to note 18.1 for information on PPE pledged as security by the group. Additionally, non funded working capital facilities from banks amounting to ₹ 37.80 crores (previous year: 58.50) are secured by hypothecation of Captive Power Plant (CPP) and HFC134A plant situated at Dahej in state of Gujarat.
- Refer to note 47 (c) for additions/adjustments on account of exchange difference during the year.
- The group accounts for all capitalizations of property, plant and equipment through capital work in progress, and, therefore, the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted by additions in property, plant and equipment and intangible assets.
- Disposals during the current year include property, plant and equipment classified as assets held for sale. Refer note 42 C below.

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4.1 CAPITAL WORK-IN-PROGRESS (CWIP)

(i) Ageing of capital work-in-progress:

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress					
As at March 31, 2022	1,554.87	102.92	13.84	-	1,671.63
As at March 31, 2021	745.04	26.27	0.95	-	772.26

(ii) CWIP completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

	As at March 31, 2022			
	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress				
Chloromethanes plant	333.38	-	-	-
Augmentation of power and steam capacity	138.23	-	-	-
Others *	164.04	0.02	-	-
	635.65	0.02	-	-

	As at March 31, 2021			
	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress				
R22 facility	87.08	-	-	-
Dedicated facility for SS-04	52.05	-	-	-
Others *	143.29	1.40	-	-
	282.42	1.40	-	-

* Comprises projects not considered material at an individual level.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

5 GOODWILL

	Amount
Cost	
Balance at March 31,2020	4.12
Additions	-
Disposals	-
Balance at March 31, 2021	4.12
Additions	-
Disposals	-
Balance at March 31, 2022	4.12
Accumulated Impairment losses	
Balance at March 31,2020	3.50
Additions	-
Balance at March 31, 2021	3.50
Additions (Refer note 42 C)	0.62
Balance at March 31, 2022	4.12
Carrying Amount	
	As at March 31, 2022
Industrial yarn unit	0.62
	As at March 31, 2021
	0.62

The group had allocated goodwill to the above mentioned cash generating units and determined recoverable amount of this allocated goodwill using cash flow projections based on financial budget as approved by the directors of the Company.

6 OTHER INTANGIBLE ASSETS

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at March 31,2020	77.53	55.19	30.75	19.39	182.86
Additions / adjustments	-	-	4.19	-	4.19
Disposals/adjustments	-	-	-	-	-
Balance at March 31, 2021	77.53	55.19	34.94	19.39	187.05
Additions / adjustments *	-	-	5.37	9.79	15.16
Disposals/adjustments	(4.28)	-	(6.29)	-	(10.57)
Balance at March 31, 2022	73.25	55.19	34.02	29.18	191.64
Accumulated amortisation					
Balance at March 31,2020	16.76	5.95	25.19	18.50	66.40
Amortisation expenses	2.45	1.70	4.04	0.05	8.24
Effects of foreign currency exchange differences	-	-	0.04	-	0.04
Balance at March 31, 2021	19.21	7.65	29.27	18.55	74.68

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Amortisation expenses	2.45	1.70	3.90	0.11	8.16
Effects of foreign currency exchange differences	-	-	(0.03)	-	(0.03)
Disposals/adjustments	(4.28)	-	(6.29)	-	(10.57)
Balance at March 31, 2022	17.38	9.35	26.85	18.66	72.24
Carrying Amount					
Balance at March 31, 2021	58.32	47.54	5.67	0.84	112.37
Balance at March 31, 2022	55.87	45.84	7.17	10.52	119.40

Notes:

* "Other" intangible assets acquired through Business Combination (Refer note 46 below).

7 INVESTMENTS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Investment in equity instruments	4.16	4.16
	4.16	4.16
Aggregate book value of unquoted investments	4.16	4.16
Aggregate amount of impairment in value of investments	4.34	4.34
Current		
Investment in mutual funds	121.86	197.16
Investment in bonds/Debentures	194.88	215.36
	316.74	412.52
Aggregate book value and market value of quoted investments	194.88	215.36
Aggregate book value and market value of unquoted investments	121.86	197.16

7.1 Investment in equity instruments (at fair value through other comprehensive income)

	As at March 31, 2022 Number	As at March 31, 2021 Amount	As at March 31, 2021 Number	As at March 31, 2021 Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	42,21,535	4.22	42,21,535	4.22
Less: impairment in value of investments		(4.22)		(4.22)
Equity Share of ₹ 10 each fully paid of Vaayu Renewable Energy (Tapti) Private Limited	50,000	0.05	50,000	0.05
Equity Shares of ₹ 10 each fully paid of Suryadev Alloys & Power Private Limited	13,54,000	4.11	13,54,000	4.11
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	6,70,000	0.12	6,70,000	0.12
Less: impairment in value of investments	-	(0.12)	-	(0.12)
		4.16		4.16

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

7.2 Investment in mutual funds (at fair value through profit and loss)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Unquoted investments (Current)				
ICICI Prudential P1543 Saving Fund-Growth Plan	36,12,365	121.86	36,12,365	117.16
Axis Overnight Fund- Regular Growth Plan	-	-	2,76,009	30.00
SBI Liquid Fund L72SG Regular Growth Plan	-	-	1,56,109	50.00
		121.86		197.16

7.3 Investment in Bonds/Debentures (at fair value through profit and loss)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Quoted investments (Current)				
Debentures				
Non convertible debentures of Shriram Transport Finance Company Limited 2021 of ₹ 10,00,000 each	-	-	250	32.11
7.35% non convertible debentures of NIIF Infrastructure Finance Limited of ₹ 10,00,000 each	-	-	250	25.43
Non convertible debentures of Tata Capital Financial Services Limited of ₹ 10,00,000 each	-	-	30	3.56
9.50% non convertible debenture of Piramal Capital & Housing Finance Limited 2022 of ₹ 8,00,000 each	63	5.04	-	-
Bonds				
8.85% HDFC Bank Limited Perpetual Bonds 2022 of ₹ 10,00,000 each	500	50.08	500	51.00
8.99% Bank of Baroda Perpetual Bonds 2024 of ₹ 10,00,000 each	550	56.92	500	51.02
9.56% State Bank of India Perpetual Bonds 2023 of ₹ 10,00,000 each	500	52.33	500	52.24
8.50% State Bank of India Perpetual Bonds 2024 of ₹ 10,00,000 each	248	25.40	-	-
8.50% State Bank of India Perpetual Bonds 2025 of ₹ 10,00,000 each	50	5.11	-	-
		194.88		215.36

8 LOANS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Non- current		
Loans to employees	14.72	10.55
	14.72	10.55
Current		
Loans to employees	8.80	7.69
Others (other than related parties)		
- Considered good	-	3.52
- Credit impaired	2.74	2.74
Less: Provision for credit impaired loans	(2.74)	(2.74)
	8.80	11.21

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

9 DEFERRED TAX (NET)

The following is the analysis of deferred tax assets (liabilities) presented in balance sheet.

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	107.26	331.70
Deferred tax liabilities	(773.12)	(699.72)
Deferred tax liabilities, net	(665.86)	(368.02)
Net Deferred tax assets after set off	11.60	18.14
Net Deferred tax liabilities after set off	677.46	386.16

The major components of deferred tax assets/(liabilities) arising on account of temporary differences are as follows:

2021-22	Opening balance	Recognised in statement of profit and loss		MAT Credit Entitlement utilised	Recognised in other comprehensive income	Foreign currency translation reserve for the year	Closing Balance
		Continuing operations	Discontinued operations				
Deferred tax assets							
Expenses deductible in future years	23.49	(2.27)	-	-	-	0.21	21.43
Provision for credit impaired loans / receivables	1.26	(0.44)	-	-	-	-	0.82
MAT Credit Entitlement	274.66	25.27	-	(241.48)	-	-	58.45
Unabsorbed carried forward losses	23.95	(4.92)	-	-	-	(0.62)	18.41
Others	8.34	(0.44)	-	-	-	0.25	8.15
	331.70	17.20	-	(241.48)	-	(0.16)	107.26
Deferred tax liabilities							
Property plant and equipment and intangible assets	(683.28)	(55.56)	-	-	-	(3.63)	(742.47)
Investment in mutual funds	(10.85)	(1.09)	-	-	-	-	(11.94)
Cash flow hedges	(4.28)	-	-	-	(13.47)	-	(17.75)
Others	(1.31)	0.35	-	-	-	-	(0.96)
	(699.72)	(56.30)	-	-	(13.47)	(3.63)	(773.12)
Total	(368.02)	(39.10)	-	(241.48)	(13.47)	(3.79)	(665.86)

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

2020-21	Opening balance	Recognised in statement of profit and loss		MAT Credit Entitlement utilised	Recognised in other comprehensive income	Foreign currency translation reserve for the year	Closing Balance
		Continuing operations	Discontinued operations				
Deferred tax assets							
Expenses deductible in future years	27.70	(6.01)	-	-	-	1.80	23.49
Provision for credit impaired loans / receivables	0.90	0.37	-	-	-	(0.01)	1.26
MAT Credit Entitlement	367.07	5.38	-	(97.79)	-	-	274.66
Cash flow hedges	42.29	-	-	-	(42.29)	-	-
Unabsorbed carried forward losses	22.98	(1.91)	2.42	-	-	0.46	23.95
Others	8.98	(1.40)	-	-	-	0.76	8.34
	469.92	(3.57)	2.42	(97.79)	(42.29)	3.01	331.70
Deferred tax liabilities							
Property plant and equipment and intangible assets	(617.02)	(54.82)	-	-	-	(11.44)	(683.28)
Investment in mutual funds	(7.95)	(2.90)	-	-	-	-	(10.85)
Cash flow hedges	-	-	-	-	(4.28)	-	(4.28)
Others	(6.19)	4.88	-	-	-	-	(1.31)
	(631.16)	(52.84)	-	-	(4.28)	(11.44)	(699.72)
Total	(161.24)	(56.41)	2.42	(97.79)	(46.57)	(8.43)	(368.02)

Notes:

- At March 31, 2022, there was no recognised deferred tax liability (Previous year: Nil) for taxes that would be payable on the unremitted earnings of certain of the Company's subsidiaries. The Company has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.
- MAT credit entitlement of ₹ 74.02 Crores (previous year ₹ 74.02 Crores) expiring in the financial year ending March 31, 2035 is not recognised, due to expected timing of exercise of the option under section 115BAA of Income Tax Act, 1961.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

10 OTHER FINANCIAL ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	60.65	28.84
- Interest rate swaps used for hedging	0.36	-
Other financial assets carried at amortised cost		
- Security deposits		
Related parties (Refer note 35)	3.53	3.54
Other than related parties	30.12	32.35
- Government grant and claims recoverable	15.86	15.85
- Deposit accounts with maturity beyond twelve months	30.00	-
	140.52	80.58
Current		
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	3.64	4.39
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	60.52	56.70
- Interest rate swaps used for hedging	3.16	1.01
Other financial assets carried at amortised cost		
- Security deposits		
Other than related parties	2.59	-
- Insurance claim recoverable	1.09	0.33
- Government grant and claims recoverable	135.07	154.11
- Others	19.76	9.31
	225.83	225.85

11 OTHER ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Capital advances	214.17	229.30
Prepaid expenses	0.72	0.25
Cenvat/Service tax/Goods and Services Tax/ sales tax recoverable	18.05	14.43
Claims recoverable under Post EPCG scheme and others	0.12	0.12
Total other non-current assets	233.06	244.10
Current		
Prepaid expenses	17.22	11.97
Cenvat/Service tax/ Goods and Services Tax/ sales tax recoverable	135.25	103.02

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Export incentives recoverable	16.21	32.76
Deposits with customs and excise authorities	15.52	17.58
Advance to suppliers	124.11	99.61
Others	1.37	2.02
Total other current assets	309.68	266.96

12 INVENTORIES

(Valued at lower of cost and net realisable value)

	As at March 31, 2022	As at March 31, 2021
Raw material (including packing material)	1,058.18	683.36
Stock in progress	237.41	176.47
Finished goods	535.44	338.59
Stores and spares (including fuel)	280.05	263.08
Traded goods	27.39	4.32
	2,138.47	1,465.82
Goods-in-transit included above:		
Raw material (including packing material)	256.55	241.43
Finished goods	162.25	100.47
Stores and spares (including fuel)	2.51	1.06
Traded goods	9.62	0.33
	430.93	343.29

Notes

- The cost of inventories recognised as an expense includes ₹ 5.92 crores. (Previous year: ₹ 11.22 Crores) in respect of write-downs of inventory to net realisable value.
- Refer Note 18.1 for information on inventories pledged as security by the group.
- The method of valuation of inventory has been stated in note 2.12

13 TRADE RECEIVABLES

Current	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	1,792.45	1,274.56
Unsecured, credit impaired	3.45	5.03
Less: Provision for credit impaired receivables	(3.45)	(5.03)
	1,792.45	1,274.56

Notes

- The credit period generally allowed on sales varies, on a case to case basis, business to business and based on market conditions. Generally credit period allowed is upto 120 days.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(ii) Ageing of receivables:

Outstanding for following periods from due date of payment	As at March 31, 2022				Total
	Undisputed trade receivables - considered good	Undisputed trade receivables - credit impaired	Disputed trade receivables - considered good	Disputed trade receivables - credit impaired	
Not due	1,565.03	-	-	-	1,565.03
Less than 6 months	226.00	-	-	-	226.00
6 months- 1 year	1.42	0.08	-	-	1.50
1-2 Years	-	2.13	-	-	2.13
2-3 Years	-	-	-	-	-
More than 3 years	-	0.52	-	0.72	1.24
	1,792.45	2.73	-	0.72	1,795.90

Outstanding for following periods from due date of payment	As at March 31, 2021				Total
	Undisputed trade receivables - considered good	Undisputed trade receivables - credit impaired	Disputed trade receivables - considered good	Disputed trade receivables - credit impaired	
Not due	1,131.74	-	-	-	1,131.74
Less than 6 months	141.13	0.12	-	-	141.25
6 months- 1 year	0.98	0.09	-	-	1.07
1-2 Years	0.02	3.33	-	-	3.35
2-3 Years	-	0.18	-	-	0.18
More than 3 years	0.69	0.56	-	0.75	2.00
	1,274.56	4.28	-	0.75	1,279.59

- The group has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the group in the receivables as identified. Receivables sold as on March 31, 2022 are of ₹ 756.96 crores (Previous year: ₹ 369.12 Crores). The group has derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the group.
- During the previous year the group had sold, with recourse, trade receivables amounting to ₹ 47.15 Crores to a bank for cash proceeds. These trade receivables were not derecognised because the group retained substantially all of the risks and rewards, primarily credit risk. The amounts received on such transfer were recognised as a secured bank loan (Refer note 18).
- There is no customer who represents more than 10% (Previous year - Nil) of the total balances of trade receivables.
- Refer Note 18.1 for information on trade receivables pledged as security by the group.

14 CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
Current accounts	228.70	124.57
Exchange earners foreign currency (EEFC) accounts	20.97	12.83
Deposit accounts with maturity of three months or less*	200.00	0.09
Cash on hand	0.81	0.80
	450.48	138.29

* Refer to note 18.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

15 BANK BALANCES OTHER THAN ABOVE

	As at March 31, 2022	As at March 31, 2021
Earmarked balances		
- Margin money	1.95	1.95
- Unclaimed dividend accounts	6.72	6.57
Other deposit accounts		
- Deposit accounts with maturity beyond three months upto twelve months	0.20	135.19
	8.87	143.71

16 SHARE CAPITAL

	As at March 31, 2022	As at March 31, 2021
Authorised share capital:		
320,000,000 (Previous Year - 120,000,000) Equity shares of ₹ 10 each	320.00	120.00
1,000,000 (Previous Year - 1,000,000) Preference shares of ₹ 100 each	10.00	10.00
1,200,000 (Previous Year - 1,200,000) Cumulative Preferences shares of ₹ 50 each	6.00	6.00
Nil (Previous Year - 20,000,000) Cumulative Preferences shares of ₹ 100 each	-	200.00
	336.00	336.00

	As at March 31, 2022	As at March 31, 2021
Issued share capital:		
300,477,780 (Previous Year - 63,301,960) Equity Shares of ₹ 10 each	300.48	63.30
Subscribed capital:		
296,421,025 (Previous Year - 59,245,205) Equity Shares of ₹ 10 each fully paid up	296.42	59.24
Add: Forfeited shares - Amount originally paid up	1.02	1.02
	297.44	60.26

16.1 Fully paid equity shares

	Number of shares	Amount
Balance at March 31, 2020	5,74,80,500	57.48
Add: Movement during the year**	17,64,705	1.76
Balance at March 31, 2021	5,92,45,205	59.24
Add: Movement during the year * (Also refer note 37 on "Employee Share Based Payments")	23,71,75,820	237.18
Balance at March 31, 2022	29,64,21,025	296.42

There are no buy back of equity shares during the period of five years immediately preceding the reporting date.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Bonus shares issued during the five years preceding the reporting date

*During the current year, Company has issued and allotted 236,980,820 fully paid up Bonus Equity shares of ₹ 10 each in the ratio of 4:1 (i.e. 4 Bonus Equity shares for every 1 existing equity share of the Company) to the shareholders who held shares on October 14, 2021 (Record date).

** During the year ended March 31, 2021, the Company had issued 1,764,705 fully paid up equity shares equivalent to 3.07% of the existing paid up equity capital of the Company to Qualified Institutional Buyers in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. These shares were issued at an issue price of ₹ 4,250 per share (including securities premium of ₹ 4,240 per share) for an aggregate consideration of ₹ 750 Crores. The proceeds (net of share issue expenses of ₹ 11.99 Crores charged off against securities premium) have been utilised for repayment of borrowings.

Terms/ rights attached to equity shares:

The parent has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board may from time to time pay to the members, such interim dividends as appear to it to be justified by the profits of the company.

During the year ended March 31, 2022, first interim dividend of ₹ 12 per share (before issue of bonus shares) and second interim dividend of ₹ 4.75 per share (post issue of bonus shares) were recognised as distributions to equity shareholders, aggregating ₹ 211.89 Crores (Previous year: ₹ 24 per share before issue of bonus shares, aggregating ₹ 141.31 Crores).

In the event of liquidation of the Company, the holders of 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.

16.2 Details of equity shares held by the holding Company

	Number of fully paid ordinary shares
As at March 31, 2022	
KAMA Holdings Limited, the Holding Company	15,02,45,000
As at March 31, 2021	
KAMA Holdings Limited, the Holding Company	3,00,49,000

16.3 Details of equity shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid equity shares				
1. Kama Holdings Limited	15,02,45,000	50.69%	3,00,49,000	50.72%
2. Amansa Holding Private Limited	1,13,61,408	3.83%	33,73,411	5.69%

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

16.4 Details of equity shares held by Promoters

Name of Promoter	Number of fully paid equity shares held	% holding in that class of shares	% change during the year
As at March 31, 2022			
1. KAMA Holdings Limited	15,02,45,000	50.69%	400%*
2. Mr. Arun Bharat Ram	1,37,500	0.05%	400%*
As at March 31, 2021			
1. KAMA Holdings Limited	3,00,49,000	50.72%	-
2. Mr. Arun Bharat Ram	27,500	0.05%	-

* Also refer to note 16.1 above.

17 OTHER EQUITY

	As at March 31, 2022	As at March 31, 2021
General reserve	648.77	648.77
Retained earnings	6,785.77	5,113.66
Cash flow hedging reserve	34.49	7.53
Cost of hedging reserve	0.51	3.13
Capital redemption reserve	10.48	10.48
Capital reserve	193.77	193.77
Debenture redemption reserve	62.50	62.50
Foreign currency translation reserve	23.07	21.77
Reserve for equity instruments through other comprehensive income	(4.22)	(4.22)
Employee share based payment reserve	3.22	2.52
Securities premium	509.56	736.25
	8,267.92	6,796.16

17.1 General reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	648.77	573.77
Increase/(decrease) during the year	-	75.00
Balance at end of year	648.77	648.77

The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. Items included in general reserve will not be reclassified subsequently to profit and loss.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

17.2 Retained earnings

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	5,113.66	4,117.69
Profit for the year	1,888.92	1,197.94
Other comprehensive income arising from measurement of defined benefit obligation* (Refer note 36.2 (iv))	(4.92)	1.84
Payments of dividend on equity shares	(211.89)	(141.31)
Transfer to debenture redemption reserve	-	(62.50)
Balance at end of year	6,785.77	5,113.66

The amount that can be distributed as dividend by the parent to its equity shareholders is determined based on the separate financial statements of the parent company and also considering the requirements of the Companies Act, 2013.

* net of income tax of ₹ 2.55 crores. (Previous year: ₹ (0.84) crores)

17.3 Cash flow hedging reserve

(Refer note 40.3.1 (C))

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	7.53	(78.56)
Recognized/(released) during the year	39.99	132.33
Income tax related to above	(13.03)	(46.24)
Balance at end of year	34.49	7.53

The Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

17.4 Cost of hedging reserve

(Refer note 40.3.1 (C))

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	3.13	-
Recognized/(released) during the year	(2.17)	3.46
Income tax related to above	(0.45)	(0.33)
Balance at end of year	0.51	3.13

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in other comprehensive income and accounted for similarly to gains or losses in the cash flow hedging reserve.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

17.5 Capital redemption reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	10.48	10.48
Increase/(decrease) during the year	-	-
Balance at end of year	10.48	10.48

Capital Redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. The reserve is utilised in accordance with the provision of the Act.

17.6 Capital reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	193.77	193.77
Increase/(decrease) during the year	-	-
Balance at end of year	193.77	193.77

Capital reserve represents amounts received pursuant to Montreal Protocol Phase-out Programme of refrigerant gases.

17.7 Debenture redemption reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	62.50	75.00
Increase/(decrease) during the year	-	(75.00)
Transfer from retained earnings	-	62.50
Balance at end of year	62.50	62.50

The Company has issued non-convertible debentures. The Company had created debenture redemption reserve out of the profits of the company available for payment of dividend.

17.8 Reserve for equity instruments through other comprehensive income

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	(4.22)	(4.22)
Increase/(decrease) during the year	-	-
Balance at end of year	(4.22)	(4.22)

This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

17.9 Foreign currency translation reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	21.77	(14.67)
Exchange differences arising on translation of foreign operations	1.30	36.44
Balance at end of year	23.07	21.77

Exchange differences relating to translation of the results and net assets of the group's foreign operations from their functional currency in to group presentation currency (i.e. ₹) are recognized in Other Comprehensive Income and accumulated in foreign currency translation reserve. Exchange differences previously accumulated in foreign currency translation reserve in respect of foreign operations are reclassified to statement of profit and loss on disposal of foreign operation.

17.10 Employee share based payment reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	2.52	1.56
Increase/(decrease) during the year	10.93	0.96
Released on vesting of shares issued under employee share purchase scheme	(10.23)	-
Balance at end of year	3.22	2.52

The group has allotted equity shares to certain employees under an employee share purchase scheme. The share based payment reserve is used to recognise the value of equity-settled share based payments provided to the such employees as part of their remuneration. Refer note 37 for further details of the scheme.

17.11 Securities premium

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	736.25	-
Recognised on issue of equity shares	-	736.25
Utilisation on issue of bonus equity shares	(236.98)	-
Recognised on vesting of shares issued under employee share purchase scheme	10.29	-
Balance at end of year	509.56	736.25

Securities premium represents the amount received in excess of the face value upon issue of equity shares. The same may be, inter-alia, utilised for issue of fully paid bonus shares or for buy-back of equity shares by the Company, in accordance with the provisions of the Act. During the previous year, expenses amounting to ₹ 11.99 Crores incurred on issue of equity shares under Qualified Institutional Placement have been charged off against securities premium. (Refer note 16.1).

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

18 BORROWINGS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Secured		
2,500 Nos. (Previous Year: 2,500 Nos.), 3 Months T-Bill + 188 bps, Listed, Secured, Redeemable, Non-Convertible Debentures of the face value of ₹10 lakhs each * (Refer note 18.1.1)	250.00	250.00
Term Loans from banks*^ (Refer note 18.1.2)	2,106.42	1,978.95
Term Loans from others*(Refer note 18.1.3)	141.07	196.31
Less: Current maturities of long term borrowings	(744.19)	(460.25)
	1,753.30	1,965.01
Current		
Secured		
Cash credits from banks (Refer note 18.1.4.(iii))	1.90	0.44
Loans repayable on demand from banks (Refer note 18.1.4.(i) and (ii))	191.93	297.71
Bills discounted with banks (Refer note 18.1.4.(iv))	-	47.15
Current maturities of long term borrowings	744.19	460.25
	938.02	805.55
Unsecured		
Loans repayable on demand from banks	548.03	520.40
Commercial papers from banks and others #	300.00	100.00
	848.03	620.40
	1,786.05	1,425.95

* Above amount of borrowings are net of upfront fees paid ₹ 3.80 crores (Previous year: ₹ 5.02 Crores)

^ Out of a term loan of ₹ 227.91 Crores obtained towards the end of the current year, unutilised balance of ₹ 200 Crores as on March 31, 2022 has been temporarily invested in fixed deposit with a bank. There was no such loan/amount in the previous year.

The maximum amount due during the year is ₹ 500 crores (Previous year: ₹ 600 Crores)

There have been no defaults in repayment of principal and interest on borrowings during the reporting periods.

The quarterly returns or statements of current assets filed by the Company with the banks are in agreement with the books of account of the Company.

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for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

18.1 Details of security of the secured loans:

Details of Loan	As at March 31, 2022 [#]	As at March 31, 2021 [#]	Security
1. 2,500 (Previous Year: 2,500), 3 Months T-Bill + 188 bps, Listed, Secured, Redeemable, Non-Convertible Debentures of the face value of 10 lakhs each*	250.00	250.00	Debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur in the State of Uttarakhand (other than moveable assets of Laminated Fabrics Business) and Dahej in the State of Gujarat (excluding certain assets).
Terms and conditions			
a) Redeemable at face value in one single instalment at the end of 2nd year from the date of allotment.			
b) Coupon is payable on a quarterly basis every year.			
2 (i) Term loan from Banks *	1,463.21	1,390.07	Moveable property (a)(i) Out of the loans as at 2(i), loans aggregating to ₹ 1,008.83 Crores (Previous Year – ₹ 1,099.30 Crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets). (a)(ii) Out of the loans as at 2(i), loans aggregating to ₹ 454.38 Crores (Previous Year – ₹ 290.77 Crores) are in the process of being secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai(other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets). Immoveable property (b)(i) Out of the loans as at 2(i) loans aggregating to ₹ 516.71 Crores (Previous Year – ₹ 849.30 Crores) are secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Details of Loan	As at March 31, 2022 [#]	As at March 31, 2021 [#]	Security
			(b)(ii) Out of the loans as at 2(b)(i) loans aggregating to ₹ 289.09 Crores (Previous Year – ₹ 400.99 Crores) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
(ii) Term loans from banks	412.98	428.88	(b) (iii) Out of the loans as at 2(i), the term loans aggregating to Nil (Previous Year – ₹ 38.50 Crores) are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
(iii) Term loans from banks	233.70	163.79	Term loan is secured by pledge of 85% of the share capital of SRF Europe Kft held by SRF Global BV, mortgage of land and building of SRF Europe Kft and exclusive charge over the fixed assets of SRF Europe Kft.
			Out of 2(iii), Term loan of ₹ 119.70 crores (previous year ₹ 163.79 crores) is secured by mortgage of existing plant and machinery, land and building and/or any construction in future of Packaging film Factory (SRF Industries (Thailand) Ltd) and ₹ 114.00 crores is to be charged against certain specific Plant and machinery of Packaging film Factory (SRF Industries (Thailand) Ltd).
3 (i) Term loans from Others	-	21.95	Term loan availed from International Finance Corporation, Washington is secured by continuing coverage mortgage bond over the land, special notarial bond and general notarial bond over the property of SRF Flexipak (South Africa) (Pty) Limited.
(ii) Term loans from Others	141.40	175.59	Loan of ₹ 141.40 Crores (Previous Year – ₹ 175.59 Crores) is secured by the hypothecation and equitable mortgage of Company's moveable and immoveable properties at Dhar in the State of Madhya Pradesh.
4 (i) Loans repayable on demand from banks	158.30	233.38	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai (other than current assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh and Kashipur (other than current assets of Laminated Fabrics Business) in the State of Uttarakhand.
(ii) Loans repayable on demand from banks	33.63	64.33	Working capital facilities is secured by pledge of 85% of the share capital of SRF Europe Kft held by SRF Global BV and pledge over receivables arising out of trade agreements
(iii) Cash credit from banks	1.90	0.44	Working capital facilities availed by SRF Flexipak (South Africa) (Pty) Ltd. are secured by cession of debtors and limited cession and pledge of credit balances
(iv) Bills discounted with Banks	-	47.15	Secured against certain trade receivables of the Company. (Also Refer note 13 (iv))

* Such hypothecation in respect of Non convertible debentures mentioned in point no. 1 and hypothecation and equitable mortgage mentioned in point no 2 rank pari-passu inter se between term loans from banks / Non convertible debentures (both current year and previous year)

[#]Gross of upfront fees paid ₹ 3.80 Crores (Previous year - ₹ 5.02 Crores)

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

18.2 Terms of loans

As at March 31, 2022

NON CURRENT BORROWINGS

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2023	Up to March 31, 2024	Up to March 31, 2025	From 2026 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value in one Instalment at the end of second year	Floating rate at 5.63%	250.00	-	-	-
Term loans from banks	Half yearly instalment	Ranging from 1.23% to 2.35%	63.98	63.98	280.71	-
	Quarterly Instalment	Ranging from 0.41% to 5.85%	383.11	348.96	287.38	439.57
	Bullet payments	Ranging from 1.18% to 6.65%	15.00	-	227.19	-
Term loans from Others	Half year payments	Floating rate at 1.46%	40.38	40.38	40.38	20.27
			752.47	453.32	835.66	459.84

Amounts mentioned above are gross of upfront fees paid of ₹ 3.80 crores

CURRENT BORROWINGS

Short term borrowings are either payable in instalments within one year or repayable on demand. For short term borrowings, interest rates ranges from 0.26% to 7.50%

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2022	Up to March 31, 2023	Up to March 31, 2024	From 2024 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value in one Instalment at the end of second year	Floating rate at 5.23%	-	250.00	-	-
Term loan from banks	Half yearly instalment	Ranging from 1.23% to 7.85%	17.63	55.76	23.26	232.62
	Quarterly Instalment	Ranging from 0.41% to 6.25%	379.83	398.00	309.90	544.75
	Yearly payments	Floating rate at 7.25%	4.00	1.00	1.00	-
	Bullet payments	Fixed rate at 6.65%	-	15.00	-	-
Term loan from others	Half year payments	Ranging from 2.01% to 2.21%	60.95	39.00	39.00	58.58
			462.41	758.76	373.16	835.95

Amounts mentioned above are gross of upfront fees paid of ₹ 5.02 Crores.

CURRENT BORROWINGS

Short term borrowings are either payable in instalments within one year or repayable on demand. For short term borrowings, interest rates ranges from 0.30% to 7.50%

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Terms of repayment

- 1) Rupee term loans from banks of ₹ 38.50 Crores prepaid in current year (Previous year: ₹ 38.50 Crores repayable in 3 half yearly instalments from August 2021).
- 2) Rupee term loans from banks of ₹ 8.22 Crores is repayable in 2 quarterly instalments from June 2022 (Previous year: ₹ 24.66 Crores repayable in 6 quarterly instalments from June 2021)
- 3) Rupee term loans from banks of ₹ 6.00 Crores prepaid in current year (Previous year: ₹ 6.00 Crores repayable in 3 annual instalments from December 2021).
- 4) Redeemable non convertible debenture of ₹ 250.00 Crores is repayable in one bullet instalment in September 2022.(Previous year: ₹ 250 crores repayable in one bullet instalment in September 2022)
- 5) Rupee term loans from banks of ₹ 203.13 Crores is repayable in 13 quarterly instalments from April 2022 (Previous year: ₹ 250 crores repayable in 16 quarterly instalments from July 2021).
- 6) Foreign currency term loan from banks of ₹ 23.67 Crores is repayable in 1 quarterly instalment in June 2022 (Previous year: ₹ 114.30 Crores repayable in 5 quarterly instalments from June 2021).
- 7) Foreign currency term loan from banks of ₹ 265.87 Crores is repayable in 12 quarterly instalments from May 2022 (Previous year: ₹ 361.33 Crores are repayable in 16 quarterly instalments from May 2021).
- 8) Foreign currency term loan from banks of ₹ 94.66 Crores is repayable in 7 quarterly instalments from April 2022 (Previous year: ₹ 143.69 Crores are repayable in 11 quarterly instalments from April 2021).
- 9) Foreign currency term loan from others of ₹ 141.40 Crores is repayable in 7 half yearly instalments from April 2022 (Previous year: ₹ 175.59 Crores are repayable in 9 half yearly instalments from April 2021).
- 10) Foreign currency term loan from banks of ₹ 15.00 Crores is repayable in one bullet instalment in June 2022 (Previous year: ₹ 15.00 Crores is repayable in one bullet instalment in June 2022).
- 11) Foreign currency term loan from banks of ₹ 109.29 Crores is repayable in 5 quarterly instalments from April 2022 (Previous year: ₹ 145.82 Crores are repayable in 9 quarterly instalments from April 2021)
- 12) Foreign currency term loan from bank of ₹ 288.99 Crores is repayable in 4 half yearly instalments from September 2022 and then 12 monthly instalments from April 2024 onwards (Previous year: ₹ 290.77 Crores repayable in 5 half yearly instalments from March 2022 and then 12 monthly instalments from April 2024 onwards).
- 13) Foreign currency term loan from bank of ₹ 227.19 Crores is repayable in one bullet instalment in March 2025 (Previous year: Nil)
- 14) Foreign currency term loan from bank of ₹ 227.19 Crores is repayable in 17 quarterly instalments from March 2023 (Previous year: Nil)
- 15) Foreign currency term loan from others of ₹ 21.95 Crores repaid in current year (Previous year: ₹ 21.95 Crores are repayable in 2 half yearly instalments from May 2021).
- 16) Foreign currency term loan from bank of ₹ 412.98 Crores is repayable in 19 quarterly instalments from June 2022 (Previous year: ₹ 428.88 Crores are repayable in 20 quarterly instalments from March 2022).
- 17) Foreign currency term loan from bank of ₹ 119.70 Crores is repayable in 6 half yearly instalments from September 2022 (Previous year: ₹ 163.79 Crores are repayable in 8 half yearly instalments from September 2021).
- 18) Foreign currency term loan from bank of ₹ 114.00 Crores is repayable in 16 quarterly instalments from October 2022 (Previous year: Nil)

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19 PROVISIONS

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Provision for employee benefits		
Provision for compensated absence (Refer note 36.3)	46.08	39.24
Provision for retention pay (Refer note 36.3)	0.17	0.17
Other employee benefits	5.33	4.14
	51.58	43.55
Current		
Provision for employee benefits		
Provision for compensated absence (Refer note 36.3)	7.38	8.68
	7.38	8.68

20 TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises [#]		
- Acceptances [*]	3.61	-
- Other than acceptances	52.37	33.37
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances [*]	410.27	139.97
- Other than acceptances	1,630.10	1,411.85
	2,096.35	1,585.19

[#] Refer to note 20.1

^{*} Acceptances represents invoices discounted by vendors with banks

(i) Ageing of trade payables:

Outstanding for following periods from due date of payment	As at March 31, 2022				Total
	Dues of micro enterprises and small enterprises	Dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises	
Not due	55.98	1,743.01	-	-	1,798.99
Less than one year	-	97.11	-	-	97.11
1-2 Years	-	3.13	-	-	3.13
2-3 Years	-	-	-	-	-
More than 3 years	-	0.13	-	-	0.13
Unbilled dues	-	196.99	-	-	196.99
	55.98	2,040.37	-	-	2,096.35

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Outstanding for following periods from due date of payment	As at March 31, 2021				Total
	Dues of micro enterprises and small enterprises	Dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises	
Unbilled dues	-	144.40	-	-	144.40
Not due	33.37	1,287.92	-	-	1,321.29
Less than one year	-	113.78	-	-	113.78
1-2 Years	-	3.81	-	-	3.81
2-3 Years	-	-	-	-	-
More than 3 years	-	1.91	-	-	1.91
	33.37	1,551.82	-	-	1,585.19

20.1 Total outstanding dues of micro enterprises and small enterprises

Trade Payables include the following dues to micro and small enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) to the extent such parties have been identified from the available information.

	As at March 31, 2022	As at March 31, 2021
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount **	108.82	52.02
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED /settled	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues are actually paid, for the purpose of disallowance of a deductible expenditure	-	-

** including payable to micro enterprise and small enterprise included in other financial liabilities (refer note 21)

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21 OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	0.33	-
- Interest rate swaps used for hedging	-	0.54
Payables to capital creditors		
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances*	153.53	-
	153.86	0.54

*Acceptances represent amount payable under letter of credit arrangements with the vendor/banks

Current		
Interest accrued but not due on borrowings	4.47	5.79
Unpaid dividends [^]	6.72	6.57
Security deposits received	8.15	8.63
Payables to capital creditors		
- Total outstanding dues of micro enterprises and small enterprises [#]		
Acceptances*	10.56	-
Other than acceptances	42.28	18.65
- Total outstanding dues of creditors other than micro enterprises and small enterprises	276.66	349.46
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	5.03	-
Others	17.83	43.19
	371.70	432.29

[^] Amount will be credited to investor education and protection fund if not claimed within seven years from the date of declaration of dividend.

[#] Refer note 20.1

* Acceptances represent invoices discounted by vendors with banks.

22 TAX ASSETS AND LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Non - Current tax assets		
Advance tax (net of provision for tax)	21.31	33.74
Current tax liabilities		
Provision for tax (net of advance tax)	14.20	12.49

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(All amounts in ₹ Crores, unless otherwise stated)

23 OTHER LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Non-current		
Deferred government grants *	39.56	42.77
	39.56	42.77
Current		
Contract liability (Refer note 41)	28.32	18.40
Statutory liabilities	60.95	38.07
Payable to gratuity trust (Refer note 36.2)	11.57	4.52
Deferred government grants*	1.77	-
Other payables	41.36	31.74
	143.97	92.73

* The group had received financial assistance in earlier year from:

- The Industrial Development Corporation of South Africa towards setting up of property, plant and equipment under a government program; and
- Ministry of Foreign Affair and Trade, Hungary under the governments' "Scheme for Investment Promotion" to promote investment and job creation.

The unamortised grant amount as on March 31, 2022 is ₹ 41.33 crores (Previous year: ₹ 42.77 crores).

24 REVENUE FROM OPERATIONS*

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products		
Manufactured goods	12,138.37	8,214.10
Traded goods	174.38	81.30
	12,312.75	8,295.40
Other operating revenues		
Claims	0.01	0.52
Export and other incentives	49.47	70.65
Scrap sales	48.11	29.98
Other operating income	23.32	3.49
	120.91	104.64
	12,433.66	8,400.04

Reconciliation of revenue from sale of products with the contracted price

	Year ended March 31, 2022	Year ended March 31, 2021
Contracted price	12,421.10	8,438.70
Less: Discounts, allowances and claims	(108.35)	(143.30)
Sale of products	12,312.75	8,295.40

* Refer Note 42 B

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

25 OTHER INCOME*

	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income		
- from customers	0.01	0.01
- on loans, deposits and investments	20.51	1.22
- on others	3.47	7.80
Net gain on sale/discarding of property, plant and equipment	2.90	0.39
Net gain on financial assets measured at fair value through profit and loss	7.06	25.45
Net foreign currency exchange fluctuation gains	72.71	11.86
Provision / liabilities no longer required written back	3.66	11.49
Other non-operating income	5.19	8.13
	115.51	66.35

* Refer Note 42 B

26.1 COST OF MATERIALS CONSUMED*

	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock of raw materials	683.36	512.59
Add: Purchases of raw materials	6,545.92	4,198.45
	7,229.28	4,711.04
Less: Closing stock of raw materials	1,058.18	683.36
Cost of materials consumed*	6,171.10	4,027.68

* Including packing material

26.2 PURCHASES OF STOCK IN TRADE*

	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of stock in trade ^	175.59	62.92
	175.59	62.92

* Refer Note 42 B

^ includes amount of ₹15.71 crores acquired through Business Combination (Refer note 46 below)

26.3 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE*

	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the end of the year:		
Stock-in-Process	237.41	176.47
Finished goods	535.44	338.59
Traded goods	27.39	4.32
	800.24	519.38

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(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Effect of changes in exchange currency rates		
Stock-in-Process	(0.46)	0.56
Finished goods	0.82	2.47
Traded goods	0.75	-
	1.11	3.03
Inventories at the beginning of the year:		
Stock-in-Process	176.47	156.45
Finished goods	338.59	281.24
Traded goods	4.32	7.02
	519.38	444.71
Net (increase) / decrease	(279.75)	(71.66)

* Refer Note 42 B

27 EMPLOYEE BENEFITS EXPENSE*

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages, including bonus	618.82	515.89
Contribution to provident and other funds	45.46	40.89
Workmen and staff welfare expenses	87.11	63.66
Share based payment expense (Refer note 37)	28.61	0.96
	780.00	621.40

* Refer Note 42 B

28 FINANCE COST

	Year ended March 31, 2022	Year ended March 31, 2021
Interest cost ^		
- Non-convertible debentures	13.23	12.27
- Term loans and others	61.74	99.46
- Lease liabilities	8.69	6.49
Other borrowing costs	17.86	14.95
Exchange differences regarded as an adjustment to borrowing costs	14.41	0.78
	115.93	133.95

^ pertains to liabilities measured at amortised cost.

* Refer Note 42 B

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

29 DEPRECIATION AND AMORTISATION EXPENSE*

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment	484.64	426.78
Amortisation of intangible assets	8.16	8.24
Depreciation of Right of use assets	24.43	18.06
	517.23	453.08

* Refer Note 42 B

30 OTHER EXPENSES*

	Year ended March 31, 2022	Year ended March 31, 2021
Credit impaired assets provided / written off	0.95	11.94
Labour production	70.63	52.44
Directors' sitting fees	0.66	0.29
Expenditure on corporate social responsibility**	19.06	12.88
Property, plant and equipment provided/ written off ^	11.48	1.37
Freight charges	547.78	302.06
Insurance	47.66	39.57
Power and fuel	1,135.56	717.34
Legal and professional charges	40.98	33.10
Rates and taxes	19.76	9.91
Rent***	30.36	17.92
Repairs and maintenance		
- Buildings	9.11	5.38
- Plant and machinery	201.53	162.42
- Other maintenance	43.23	37.34
Selling commission	35.73	26.83
Stores and spares consumed	81.80	66.54
Travelling and conveyance	12.48	5.84
Auditor remuneration# ****		
- Audit Fees	1.52	1.52
- For limited review of unaudited financial results	0.97	0.94
- For Corporate governance, consolidated financial statements and other certificates	0.10	0.22
- For tax audit	0.08	0.08
- Reimbursement of out of pocket expenses	0.15	0.08
Effluent disposal expenses	121.99	77.10
Miscellaneous expenses	49.95	43.26
	2,483.52	1,626.37

* Refer Note 42 B

** Refer to note- 47(d)

*** Refer to note- 43

including fees paid to auditors of subsidiary companies

^ including amount of ₹ 5.75 crores (previous year: Nil) recognised on fair valuation of assets classified as held for sale. Also Refer note 42 C.

**** Excluding fees Nil (Previous year: ₹ 0.43 Crore) for QIP related attestation and certification, netted off from securities premium.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

31 INCOME TAX RECOGNISED IN PROFIT AND LOSS

	Year ended March 31, 2022	Year ended March 31, 2021
Tax expense related to continuing operations	696.63	414.40
Tax expense related to discontinued operations	-	(2.42)
	696.63	411.98
(a) Tax expense related to continuing operations		
Current tax		
In relation to current year	657.53	357.97
Adjustment in relation to earlier years	-	0.02
	657.53	357.99
Deferred tax		
- MAT credit entitlement		
In relation to current year	-	-
Adjustment in relation to earlier years	(25.27)	(5.38)
	(25.27)	(5.38)
- Others		
In relation to current year	56.41	57.44
Adjustment in relation to earlier years	7.96	4.35
	64.37	61.79
(b) Tax expense related to discontinued operations		
Deferred tax		
- Others		
In relation to current year	-	(0.28)
Adjustment in relation to earlier years	-	(2.14)
	-	(2.42)

The income tax expenses for the year can be reconciled to the accounting profits as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax		
From continuing operations	2,585.55	1,612.65
From discontinued operations	-	(2.73)
Total Profit before tax	2,585.55	1,609.92
Income Tax Expenses @ 34.944% (Previous year @ 34.944%)	903.50	562.57
Effect of deductions (research and development, share issue expenses and deductions under Chapter - VIA of Income Tax Act)	(79.28)	(54.59)
Effect of expenses that are not deductible in determining taxable profits	13.28	5.48

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Effect of re-measurement of deferred tax balances / lower tax rate on certain temporary differences pursuant to Section 115BAA of Income tax act.	(21.59)	(22.73)
Effect of Nil tax/exemption of overseas subsidiaries	(34.13)	(40.05)
Effect of additional expenses deductible in subsidiaries	(6.89)	-
Effect of lower tax rates in overseas subsidiaries	(61.82)	(40.14)
Others	0.88	2.45
Income tax expenses recognised in profit and loss in relation to current year	713.94	412.99
Income tax expenses recognised in profit and loss in relation to earlier years (Refer note (ii) below)	(17.31)	(1.01)
Total Income tax expenses recognised in profit and loss	696.63	411.98

Notes:

- The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (2021: 34.944%) payable by corporate entities in India on taxable profits under the Indian tax law.
- Income tax in relation to earlier years includes tax credit of ₹ 15.42 Crores (Previous year: tax expense of ₹ 1.62 Crores) which is related to finalization and determination of deduction/allowance claimed for earlier years under Chapter-VIA of the Income-tax Act, 1961, for generation of power from captive power plants which is based on finalization of transfer pricing study /tax audit reports of the previous years.

32 INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Year ended March 31, 2022	Year ended March 31, 2021
Arising on income and expense recognised in other comprehensive income		
Net (gain)/ loss on designated portion of hedging instruments in cash flow hedges	(13.03)	(46.24)
Cost of hedging reserve	(0.45)	(0.33)
Remeasurement of defined benefit obligation	2.55	(0.84)
	(10.93)	(47.41)
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	(13.48)	(46.57)
Items that will not be reclassified to profit or loss	2.55	(0.84)
	(10.93)	(47.41)

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

33 CONTINGENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
a. Claims against the group not acknowledged as debts:		
Goods and Services tax, excise duty, custom duty and service tax *	8.39	23.11
Sales tax and entry tax **	19.17	20.38
Income Tax (Also refer note b (ii) and b (iii) below)***	22.26	3.74
Others****	11.27	13.19

* Amount deposited against contingent liability ₹ 1.23 Crores (Previous year: ₹ 1.79 Crores)

** Amount deposited against contingent liability ₹ 6.74 Crores (Previous year: ₹ 7.59 Crores)

*** Amount deposited against contingent liability ₹ 2.98 Crores (Previous year: ₹ 3.09 Crores)

**** Amount deposited against contingent liability ₹ 0.42 Crore (Previous year: ₹ 0.40 Crore)

***** Includes demand by Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. (MPPKV Ltd) of ₹ 8.12 Crores (Previous year: ₹ 11.40 Crores).

All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on the results of the operations or financial position of the group.

- b. (i) The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax / goods and service tax amounting to ₹ 18.86 Crores (Previous year: ₹ 18.58 Crores) should not be levied. The Company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.
- (ii) The Company has received a notice for assessment year 2018-19 on April 13, 2022 on account of non deduction of TDS on foreign payments involving an amount of ₹ 14.34 Crores. Based on the facts of the case and Company's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.
- (iii) Besides the above, the Company has received final assessment orders for assessment years 2017-18 and 2018-19 on April 30, 2022 in which adjustments amounting to ₹ 277.31 Crores and ₹ 323.09 Crores respectively were made on account of transfer pricing adjustments, research and development expenditure and others etc.(in line with earlier years) and a demand of ₹ 1.20 Crores and ₹ 96.71 Crores respectively has been raised. The Company plans to file rectification application towards certain computation errors and for rest of the issues, appeal will be filed before Income Tax Appellate Tribunal. Based on the facts of the case and the management's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.
- c. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

34 CAPITAL AND OTHER COMMITMENTS

	As at March 31, 2022	As at March 31, 2021
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	960.57	751.56
(ii) The group has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The group does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses which have not been provided for.		
(iii) Export obligation under advance license scheme on duty free import of specific raw materials, remaining outstanding is ₹ 721.78 crores (Previous year: ₹ 619.36 crores).		

35 RELATED PARTY TRANSACTIONS

35.1 Description of related parties under Ind AS- 24 " Related party disclosures "

Ultimate Holding Entity	Key management personnel (KMP) #
ABR Family Trust	Arun Bharat Ram** Ashish Bharat Ram
Holding Company	Kartik Bharat Ram Tejpreet S Chopra Lakshman Lakshminarayan
KAMA Holdings Limited	Vellayan Subbiah Meenakshi Gopinath* Pramod Gopaldas Gujarathi Bharti Gupta Ramola Yash Gupta Puneet Yadu Dalmia
Fellow subsidiaries #	Enterprises over which KMP have significant influence #
KAMA Realty (Delhi) Limited Shri Educare Limited SRF Transnational Holding Limited	SRF Foundation SRF Welfare Trust BLP Industry AI Private Limited
Post employment benefit plans trust #	Relatives of KMP of Holding Company #
SRF Limited Officers Provident Fund Trust SRF Employees Gratuity Trust SRF Officers Gratuity Trust	Nirmala Kothari
Relatives of KMP #	
Sushil Ramola Murugappan Vellayan Subbiah	

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

KMP of Holding Company #	Enterprises over which relative of KMP has control #
Ekta Maheshwari	
Jagdeep Singh Rikhy ***	Murugappa & Sons

Only with whom the Company had transactions during the year

* Upto August 31, 2021

** Upto March 31, 2022

*** From December 03, 2021

35.2 Transactions with related parties

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of property, plant & equipment and intangible assets to		
Fellow Subsidiaries	0.19	-
	0.19	-
Sale of goods to		
Enterprises over which KMP have significant influence	0.04	-
	0.04	-
Rent paid		
Fellow Subsidiaries	6.60	6.60
Key management personnel	0.26	0.27
Enterprises over which KMP have significant influence	0.27	0.27
	7.13	7.14
Reimbursement of expenses from		
Holding Company	0.01	0.01
Fellow Subsidiaries	0.04	0.05
	0.05	0.06
Receiving of Services from:		
Enterprises over which KMP have significant influence	0.19	0.07
	0.19	0.07
Deposits received back from		
Key management personnel	0.01	-
	0.01	-
Contribution for expenditure on corporate social responsibility		
Enterprises over which KMP have significant influence	21.38	9.18
	21.38	9.18
Contribution to post employment benefit plans		
Post employment benefit plans trust	30.20	35.41
	30.20	35.41

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Employee benefit obligations transferred to		
Holding Company	-	0.02
Fellow Subsidiaries	0.20	-
Enterprises over which KMP have significant influence	*	*
	0.20	0.02

* Amount in absolute Nil (Previous year: ₹ 25,962)

Equity dividend paid

Holding Company	107.43	72.12
Key management personnel	0.15	0.12
Relatives of KMP	0.11	0.07
KMP of Holding Company	^^	^^
Relatives of KMP of Holding Company	^	^
Enterprises over which relative of KMP has control	^^^	^^^
	107.69	72.31

^ Amount in absolute ₹ 358 (Previous year: ₹240)

^^ Amount in absolute ₹ 1,095 (Previous year: ₹ 168)

^^^ Amount in absolute ₹ 36,966 (Previous year: ₹ 24,618)

Bonus shares issued

Holding Company (No. of shares: 120,196,000; previous year: Nil)	-	-
Key management personnel (No. of shares:178,968; previous year: Nil)	-	-
Relatives of KMP (No. of shares: 110,388; previous year: Nil)	-	-
KMP of Holding Company (No. of shares: 76; previous year: Nil)	-	-
Relatives of KMP of Holding Company (No. of shares: 40; previous year: Nil)	-	-
Enterprises over which relative of KMP has control (No. of shares: 4,136; previous year: Nil)	-	-
	-	-

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

35.3 Outstanding Balances:

	Year ended March 31, 2022	Year ended March 31, 2021
Commission payable		
Key management personnel	18.90	12.84
	18.90	12.84
Receivable		
Post employment benefit plans trust	11.48	1.49
	11.48	1.49
Payable		
Post employment benefit plans trust	13.30	6.02
	13.30	6.02
Security deposits outstanding		
Fellow Subsidiaries	3.27	3.27
Key management personnel	0.12	0.13
Enterprises over which KMP have significant influence	0.14	0.14
	3.53	3.54

35.4 Key management personnel compensation

	Year ended March 31, 2022	Year ended March 31, 2021
Short-term benefits *	34.88	26.21
Post-employment benefits	2.15	1.44
Other long-term benefits	1.19	0.97
	38.22	28.62

* Includes sitting fees and commission paid/ payable to non executive directors

36 EMPLOYEE BENEFITS

36.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

Indian entities	Year ended March 31, 2022	Year ended March 31, 2021
Superannuation fund (Refer to note (i) below)	0.59	0.61
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	15.11	14.02
Employees' State Insurance Corporation	0.40	0.43
National Pension Scheme	1.71	1.34
	17.81	16.40

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Foreign subsidiaries	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to provident fund	1.47	1.21
Skill, development and Social Security Fund	4.87	3.10
Pension fund	1.63	1.53
	7.97	5.84

The expenses incurred on account of the above defined contribution plans have been included in Note 27 "Employee Benefits Expenses" under the head "Contribution to provident and other funds."

(i) Superannuation fund

The Company makes contributions to a Trust which in turn contributes to ICICI Prudential Life Insurance Company Limited. Apart from being covered under the Gratuity Plan described below, the employees of the Company also participate in a defined contribution superannuation plan maintained by the Company. The Company has no further obligations under the plan except making annual contributions based on a specified percentage of each covered employee's salary. From November 1, 2006, the Company provided an option to the employees to receive the said benefit as cash compensation along with salary in lieu of the superannuation benefit. Thus, no contribution is required to be made for the category of employees who opted to receive the benefit in cash.

(ii) Provident fund administered through Regional Provident Fund Commissioner

All employees are entitled to Provident Fund benefits as per the law. For certain category of employees the group administers the benefits through a recognized Provident Fund Trust. For other employees contributions are made to the Regional Provident Fund Commissioners. The Government mandates the annual yield to be provided to the employees on their corpus. This plan is considered as a Defined Contribution Plan. For the first category of employees (covered by the Trust), the group has an obligation to make good for the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government and these are considered as Defined Benefit Plans and are accounted for on the basis of an actuarial valuation.

36.2 Defined benefit plans

The group sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by separate funds which are legally separate from the group. These plans are:

- Gratuity
 - Provident fund for certain category of employees administered through a recognised provident fund trust
 - Legal Severance pay & Health care (Unfunded) as applicable with respect to foreign entities
- (i) These plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Notes to the consolidated financial statements

for the year ended March 31, 2022

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Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Interest Risk

The plan exposes the group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of the providing the above benefits and will thus result an increase in value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of the plan participants both during and after the employment. An increase in the life expectancy of plan participants will increase the plan's liability.

(ii) The principal assumption used for the purpose of the actuarial valuation were as follows:

Indian entities	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	7.16%	7.16%	6.69%	6.69%
Expected statutory interest rate	-	8.10%	-	8.50%
Salary increase	8.00%	-	7.00%	-
Retirement Age (years)	58.00	58.00	58.00	58.00
Mortality Rates	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Withdrawal rate				
Upto 30 years	20.00%	20.00%	20.00%	20.00%
31 to 44 years	7.00%	7.00%	7.00%	7.00%
Above 44 years	8.00%	8.00%	8.00%	8.00%

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2022	As at March 31, 2021
Discount Rate	3.18%	2.70%
Salary increase	6.35%	6.25%
In service mortality	TMO 2017	TMO 2017
Retirement Age	55	55
Withdrawal Rate		
- up to 20 years	16%	15%
- 21-30	16%	15%
- 31-40	7%	8%
- 41-50	3%	3%
- 51 onwards	2%	2%

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for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuations involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date.

The present value of defined benefit obligation and the related current service cost and past service cost were measured using projected unit credit method.

(iii) Amounts recognised in statement of profit and loss in respect of these benefit plans are as follows:

Indian entities	Year ended March 31, 2022		Year ended March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	9.09	7.73	8.03	6.75
Interest expenses (net of expected return on plan assets)	0.30	-	1.07	-
	9.39	7.73	9.10	6.75
Foreign subsidiaries	Legal Severance Pay (unfunded)			
	Year ended March 31, 2022		Year ended March 31, 2021	
Current/past Service cost	1.10		0.93	
Net interest expenses	0.12		0.06	
	1.22		0.99	

The current service cost and the net interest expenses for the year are included in Note 27 "Employee Benefits Expenses" under the head Contribution to provident and other funds

(iv) Amount recognized in other comprehensive income:

Indian entities	Gratuity	
	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial (gain)/losses on plan assets	(0.31)	(5.84)
Actuarial (gain)/losses arising from changes in financial assumptions	3.71	0.49
Actuarial (gain)/losses arising from changes in experience adjustments	3.90	2.94
	7.30	(2.41)

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial (gain)/losses arising from changes in financial assumptions	(0.23)	(0.37)
Actuarial (gain)/losses arising from changes in experience adjustments and demographic assumption	0.40	0.10
	0.17	(0.27)

(v) The amount included in consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Indian entities	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	107.45	155.50	98.72	158.91
Fair value of plan assets	95.88	157.64	94.20	157.71
Surplus/ (Deficit)	(11.57)	2.14	(4.52)	(1.20)
Effect of asset ceiling, if any	-	(2.14)	-	-
Net assets / (liability)	(11.57)	-	(4.52)	(1.20)

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	5.33	4.14
Fair value of plan assets	-	-
Net asset / (liability)	(5.33)	(4.14)

(vi) Movements in the present value of defined benefit obligation are as follows:

Indian entities	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	98.72	158.91	85.78	137.01
Current Service Cost	9.09	7.73	8.03	6.75
Interest Cost	6.60	12.42	5.81	11.92
Actuarial (gain)/losses arising from changes in financial assumptions	3.71	-	0.49	-
Actuarial (gain)/losses arising from changes in experience adjustments	3.90	-	2.94	-
Benefits paid	(14.57)	(39.82)	(4.33)	(8.73)
Contribution by plan participants / employees	-	12.72	-	10.83
Settlement / transfer in	-	3.54	-	1.13
Closing defined benefit obligation	107.45	155.50	98.72	158.91

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for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	4.14	3.99
Current Service Cost	1.10	0.93
Interest Cost	0.12	0.06
Actuarial (gain)/losses arising from changes in financial assumptions	(0.23)	(0.37)
Actuarial (gain)/losses arising from changes in experience adjustments and demographic assumption	0.40	0.10
Exchange difference on foreign plans	(0.10)	0.07
Benefits paid/Settled	(0.10)	(0.64)
Closing defined benefit obligation	5.33	4.14

(vii) Movements in the fair value of plan assets are as follows:

Indian entities	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	94.20	157.71	69.96	136.55
Return on plan assets (excluding amounts included in net interest expenses)	6.62	15.76	10.58	11.18
Contributions from employer	9.63	7.73	17.99	6.75
Contributions from plan participants	-	12.72	-	10.83
Benefits paid	(14.57)	(39.82)	(4.33)	(8.73)
Settlement/ transfer in	-	3.54	-	1.13
Closing fair value of plan assets	95.88	157.64	94.20	157.71

Gratuity:

Plan assets comprises primarily of investment in HDFC Group Unit Linked Plan fund. The average duration of the defined benefit obligation is 9.12 years (Previous year: 9.14 years). The Company expects to make a contribution of ₹ 10.58 Crores (Previous year: ₹ 8.76 Crores) to the defined benefit plans during the next financial year.

Provident fund:

The plan assets have been primarily invested in government securities and corporate bonds.

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(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the 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 reporting period, while holding all other assumptions constant.

Indian entities	Year ended March 31, 2022		Year ended March 31, 2021	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Sensitivity analysis of gratuity				
Discount rate	(3.54)	3.77	(3.00)	3.20
Expected salary growth	3.72	(3.53)	3.17	(3.01)
Sensitivity analysis of Provident Fund	(0.01)	0.01	(0.01)	0.01
Foreign subsidiaries	Year ended March 31, 2022		Year ended March 31, 2021	
	1% increase	1% decrease	1% increase	1% decrease
Sensitivity analysis of Legal Severance Pay				
Discount rate	(0.54)	0.63	(0.44)	0.52
Expected salary growth	0.59	(0.51)	0.48	(0.42)

Sensitivity due to mortality and withdrawals are insignificant and hence ignored

36.3 Other long-term employee benefit

Amounts recognised in the statement of profit and loss in note 27 "Employee benefits expenses" under the head "Salaries and wages, including bonus"

	Year ended March 31, 2022	Year ended March 31, 2021
Long term retention pay (refer to note (i) below)	-	-
Compensated absences	12.26	11.57
	12.26	11.57

(i) Long Term Retention Pay

The group has a Long Term Retention Pay Plan which covers employees selected on the basis of their current band and their long term value to the Company. The incentive is payable in three year blocks subject to achievement of certain performance ratings. The Company also has a scheme for talent retention of certain identified employees under which an incentive is payable over a period of three years.

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for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

37 EMPLOYEE SHARE BASED PAYMENTS

The Company has an Employee Share Purchase Scheme (SRF Long Term Share Based Incentive Plan) to provide equity settled share based payments to eligible employees. The expenses related to the grant of shares under the Scheme are accounted for on the basis of fair value of the share on the grant date (which is the market price of the Company's share on the date of grant less exercise price). The fair value so determined is expensed on a straight line basis over the remaining tenure over which the employees renders their services.

The movement of number of equity shares granted, their fair value and the share based payment expense recognised during the year are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Number of equity shares:		
(i) At the beginning of the year	60,000	60,000
(ii) Impact of bonus issue of shares (Refer to note 16.1)	2,40,000	-
(iii) Granted during the year *	1,95,000	-
(iv) Released during the year ^	(3,00,000)	-
(v) At the end of the year	1,95,000	60,000
Market price on the grant date (₹ per equity share)	2,126.05	-
Exercise price (₹ per equity share)	10.00	-
Fair value of share based payment (₹ per equity share)	2,116.05	-
Share based payment expense recognised during the year ^ **	28.61	0.96

* These shares have a lock in period up to November 30, 2022 and are pledged for a period up to October 31, 2026.

^ During the current year, the Nomination and Remuneration Committee based upon the recommendations of the management, released 300,000 equity shares from pledge, resulting into immediate vesting of these shares. As a result, an additional amount of ₹ 6.72 crores has been recognised in consolidated statement of profit and loss.

** Includes amount of ₹17.50 Crores (previous year -Nil) towards withholding tax on equity shares granted under the above scheme.

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for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

38 SEGMENT REPORTING

Based on the guiding principles laid down in Indian Accounting Standard (Ind AS) - 108 "Segment Reporting", the Chairman and Managing Director of the Company is the Chief Operating Decision Maker (CODM) and for the purposes of resource allocation and assessment of segment performance, the business of the Group is segregated in the segments below:

- Technical Textiles business: includes nylon tyre cord fabric, belting fabric, polyester tyre cord fabric and industrial yarns and its research and development
- Chemicals business: includes refrigerant gases, industrial chemicals, speciality chemicals, fluorochemicals & allied products and its research and development.
- Packaging Film business: includes polyester films and polypropylene films.
- Others: include coated fabric, laminated fabric and other ancillary activities

Segment revenue, results and capital employed include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable.

In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments. These amounts relate to continuing operations, unless otherwise stated. (Refer to note 42 with regard to information in relation to discontinued operations).

b) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the consolidated balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

Notes to the consolidated financial statements

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(All amounts in ₹ Crores, unless otherwise stated)

A. Information about operating business segments

	Year ended March 31, 2022	Year ended March 31, 2021
Segment revenue		
a) Technical textiles business (TTB)		
- External sales	2,073.33	1,231.41
- Inter-segment sales	11.91	8.70
Total	2,085.24	1,240.11
b) Chemicals business (CB)		
- External sales	5,240.78	3,644.89
- Inter-segment sales	-	-
Total	5,240.78	3,644.89
c) Packaging films business (PFB)		
- External sales	4,779.21	3,291.72
- Inter-segment sales	-	-
Total	4,779.21	3,291.72
d) Others		
- External sales	340.34	232.02
- Inter-segment sales	-	-
Total	340.34	232.02
Total segment revenue	12,445.57	8,408.74
Less: Inter segment revenue	11.91	8.70
Revenue from operations	12,433.66	8,400.04
Add: Unallocable income	115.51	66.35
Total revenue	12,549.17	8,466.39
Segment profits		
Profit before interest and tax from each segment		
a) Technical textiles business (TTB)	471.43	176.90
b) Chemicals business (CB)	1,396.91	728.14
c) Packaging films business (PFB)	946.33	897.87
d) Others	20.35	25.59
Total segment results	2,835.02	1,828.50
Less: i) Interest and finance Charges	115.93	133.95
Less: ii) Other unallocable expenses net of income	133.54	81.90
Profit before tax from continuing operations	2,585.55	1,612.65
(Loss) / Profit before tax from discontinuing operations	-	(2.73)
(Refer note 42)		
Total Profit before tax	2,585.55	1,609.92

Notes to the consolidated financial statements

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(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Capital expenditure		
a) Technical textiles business (TTB)	63.43	77.90
b) Chemicals business (CB)	1,296.56	618.66
c) Packaging films business (PFB)	637.06	553.34
d) Others	1.66	1.92
e) Unallocated	8.38	3.13
Total	2,007.09	1,254.95
Depreciation and amortisation		
a) Technical textiles business (TTB)	39.97	35.41
b) Chemicals business (CB)	303.59	273.09
c) Packaging films business (PFB)	153.31	123.61
d) Others	7.53	8.06
e) Unallocated	12.83	12.91
Total	517.23	453.08
Segment assets and liabilities		
	As at March 31, 2022	As at March 31, 2021
Segment assets		
a) Technical textiles business (TTB)	1,818.01	1,582.16
b) Chemicals business (CB)	7,193.65	5,741.97
c) Packaging films business (PFB)	5,633.10	4,543.33
d) Others	174.94	171.97
Total	14,819.70	12,039.43
Unallocable assets	953.91	889.98
Assets classified as held for sale	3.00	-
Total assets	15,776.61	12,929.41
Segment Liabilities		
a) Technical textiles business (TTB)	416.95	337.14
b) Chemicals business (CB)	950.33	710.22
c) Packaging films business (PFB)	1,449.62	1,117.90
d) Others	37.02	32.85
Total	2,853.92	2,198.11
Unallocable Liabilities	4,357.33	3,874.88
Total Liabilities	7,211.25	6,072.99

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B. Information about geographical business segments

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations		
- India	5,259.57	3,640.40
- South Africa	603.51	475.37
- Singapore	43.14	5.47
- Germany	462.74	476.58
- USA	1,440.87	576.20
- Thailand	353.74	188.89
- Hungary	27.66	13.61
- Switzerland	827.37	687.75
- Belgium	528.32	635.51
- Others	2,886.74	1,700.26
	12,433.66	8,400.04

	Year ended March 31, 2022	Year ended March 31, 2021
Non current segment assets		
- Within India	7,938.51	6,505.08
- Outside India	2,391.47	2,338.23
	10,329.98	8,843.31

Non current segment assets includes property, plant and equipment, right of use assets, capital work in progress, intangible assets, Goodwill and other non current assets.

No single customer contributed 10% or more to the Group's revenue for both financial years 2021-22 and 2020-21.

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from major products		
a) Technical textiles business (TTB)		
Nylon tyre cord fabric/ Polyester tyre cord fabric / Belting fabric	1,880.90	1,122.94
Synthetic filament yarn including Industrial yarn /Twine	165.78	97.21
Waste/others	5.16	0.62
b) Chemicals business (CB)		
Speciality chemicals	3,100.32	2,389.39
Fluorochemicals, Refrigerant Gases and allied products	1,724.06	893.98
Industrial chemicals	350.65	311.00
Waste/others	0.01	0.74
c) Packaging films business (PFB)		
Packaging films	4,749.26	3,253.26
d) Others		
Coated fabric, laminated fabric and other ancillary activities	336.61	226.26
	12,312.75	8,295.40

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39 EARNINGS PER SHARE (EPS)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit attributable to equity holders of the group used in calculating basic earning per share and diluted earning per share:		
- From continuing operations	1,888.92	1,198.25
- From discontinued operations	-	(0.31)
- From continuing and discontinued operations	1,888.92	1,197.94
Weighted average number of equity shares of the company used in calculating basic earning per share and diluted earning per share (nos.)	29,63,06,696	29,52,63,898
Basic and diluted earnings per share of face value ₹10 each *		
- From continuing operations (₹)	63.75	40.58
- From discontinued operations (₹)	-	(0.01)
- From continuing and discontinued operations (₹)	63.75	40.57

Note:

During the current year, Company has issued and allotted 236,980,820 fully paid up Bonus Equity shares of ₹ 10 each in the ratio of 4:1 (i.e. 4 Bonus Equity shares for every 1 existing equity share of the Company) to the shareholders who held shares on October 14, 2021 (Record date). Accordingly, basic and diluted earnings per share has been calculated based on the weighted average number of shares outstanding in the current and previous year, as adjusted by issuance of bonus shares.

40 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

40.1 Capital Management

The group manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders by maintaining a reasonable balance between debt and equity. The capital structure of the group consists of net debt (borrowings net of cash and cash equivalents, deposits accounts with maturity beyond three months upto twelve months and current investments) and total equity of the group. The group is not subject to any externally imposed capital requirements. The group's management reviews the capital structure of the group on periodic basis. As part of its review, the management considers the cost of capital and risk associated with each class of capital. The group also evaluates its gearing measures using Net Debt Equity Ratio to arrive at an appropriate level of debt and accordingly evolves its capital structure.

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The following table provides the details of the debt and equity at the end of the reporting periods:

	As at March 31, 2022	As at March 31, 2021
Debt and lease liabilities	3,655.19	3,468.58
Less:		
Cash and cash equivalents	450.48	138.29
Deposits accounts with maturity beyond three months upto twelve months	0.20	135.19
Current investments	316.74	412.52
Net debt	2,887.77	2,782.58
Total equity	8,565.36	6,856.42
Net debt to equity ratio	0.34	0.41

40.2 Financial instruments by category

Financial assets	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Measured at amortised cost						
Trade Receivables		a	1,792.45	1,274.56	1,792.45	1,274.56
Cash and cash equivalents		a	450.48	138.29	450.48	138.29
Bank balances other than above		a	8.87	143.71	8.87	143.71
Loans		a,b	23.52	21.76	23.52	21.76
Other financial assets		a,b	238.02	215.49	238.02	215.49
			2,513.34	1,793.81	2,513.34	1,793.81
Measured at Fair value through profit and loss						
Investments in mutual funds and bonds/debentures	2	d	316.74	412.52	316.74	412.52
Derivative instruments	2	d	3.64	4.39	3.64	4.39
			320.38	416.91	320.38	416.91
Measured at Fair value through Other comprehensive income						
Investments in unquoted equity instruments	3	d	4.16	4.16	4.16	4.16
Derivative instruments	2	d	124.69	86.55	124.69	86.55
			128.85	90.71	128.85	90.71

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Financial liabilities	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Measured at amortised cost						
Borrowings		a,c	3,539.35	3,390.96	3,539.35	3,390.96
Trade payables		a	2,096.35	1,585.19	2,096.35	1,585.19
Other financial liabilities		a	520.20	432.29	520.20	432.29
			6,155.90	5,408.44	6,155.90	5,408.44
Measured at Fair value through other comprehensive income						
Derivative instruments	2	d	5.36	0.54	5.36	0.54
			5.36	0.54	5.36	0.54

The following methods / assumptions were used to estimate the fair values:

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- Fair value of other long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.
- The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

There are no transfers between Level 1, Level 2 and Level 3 during the Year ended March 31, 2022 and March 31, 2021.

Level 1:

Quoted prices in the active market: This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2:

Valuation techniques with significant observable inputs: This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of over the counter (OTC) derivative contracts, open ended mutual funds and bonds/debentures.

Level 3:

Valuation techniques with significant unobservable inputs: This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined

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in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Investments in mutual funds and bonds/debentures: Fair value is determined by reference to quotes from the financial institutions.
- Derivative contracts: The group has entered into various foreign currency contracts and interest rate swaps contracts to manage its exposure to fluctuations in foreign exchange rates and interest rate respectively. These financial exposures are managed in accordance with the group's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the authorized dealers banks and forward exchange rates at the balance sheet date.
- Unquoted equity investments: Fair value is determined based of the recoverable value as per agreement with the investee.

Reconciliation of Level 3 fair value measurements	Unlisted equity instruments
As at March 31, 2020	4.16
Purchase of investment	-
As at March 31, 2021	4.16
Purchase of investment	-
As at March 31, 2022	4.16

Sensitivity of the fair value measurement to changes in unobservable inputs for financial instruments in Level 3 level of hierarchy is insignificant.

40.3 Financial Risk Management

The group is exposed to various financial risks arising from its underlying operations and finance activities. The group is primarily exposed to market risk (i.e. interest rate and foreign currency risk) and to credit risk and liquidity risk. The Group's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management within the group is governed by policies and guidelines approved by the senior management and the Board of Directors. These policies and guidelines cover interest rate risk, foreign currency risk, credit risk and liquidity risk. Group policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function within the group. Review of the financial risk is done on a monthly basis by the Managing Director and on a quarterly basis by the Board of Directors. The objective of financial risk management is to contain, where deemed appropriate, exposures

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(All amounts in ₹ Crores, unless otherwise stated)

on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the group's results and financial position.

In accordance with its financial risk management policies, the group manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. It is the group's policy and practice neither to enter into derivative transactions for speculative purpose, nor for any purpose unrelated to the underlying business. The Board of Directors / Managing Director reviews and approves policies for managing each of the above risks.

40.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The group enters into derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk.

A. Foreign Currency Risk Management

Foreign currency risk also known as Exchange Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign currency risk in the group is attributable to group's operating activities, investing activities and financing activities.

In the operating activities, the group's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). In compliance with the Board approved policy, the Group manages the net exposure on a rolling 12 month basis and for exposures between 12 to 36 months, hedging is done based on specific exposure. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the group are mainly in U.S. Dollar (USD), Euro (EUR), Japanese Yen (JPY) and British pound sterling (GBP). The group's exposure to foreign currency changes for all other currencies is not material.

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in ₹ are as follows:

	Assets		Liabilities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD	983.61	824.27	2,346.96	1,946.21
EUR	283.94	257.67	846.24	1,124.86
JPY	-	-	6.33	11.28
GBP	21.56	10.96	0.01	13.12

Foreign currency sensitivity analysis

The group is mainly exposed to changes in USD, EURO, JPY and GBP exchange rates.

The following table details the group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated

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monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) *				
USD	5.02	(5.02)	5.73	(5.73)
EUR	1.87	(1.87)	3.60	(3.60)
JPY	0.06	(0.06)	0.11	(0.11)
GBP	(0.22)	0.22	0.02	(0.02)

* Includes sensitivity on long-term foreign currency monetary items on which Para D13 AA of Ind AS 101 has been applied. Accordingly, the exchange loss/ (gain) arising on long term foreign currency monetary items relating to acquisition of depreciable assets will be added to/deducted from the cost of such assets/capital work-in-progress and will be depreciated over the balance useful life of assets.

	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on equity (Other Comprehensive Income)				
USD	8.62	(8.62)	5.49	(5.49)
EUR	3.75	(3.75)	5.08	(5.08)

Foreign exchange derivative and non-derivative financial instruments

The group uses derivative as well as non derivative financial instruments for hedging financial risks that arise from its commercial business or financing activities. The group's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within 1 to 36 months for hedges of forecasted sales, purchases, loans and liabilities and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

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The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contracts*	No of Deals		Contract Value of Foreign Currency (In Millions)		Maturity			
					Up to 12 months Nominal Amount* (₹ Crores)		More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD/INR Sell forward	362	264	735.50	513.25	2,821.04	2,029.40	3,095.66	1,998.63
EUR/INR sell forward	1	17	20.00	40.50	-	181.53	202.77	202.77
USD/THB Buy forward	-	20	-	18.48	-	129.98	-	-
EUR/USD Buy forward	-	20	-	15.67	-	135.55	-	-
EUR/THB Buy forward	6	-	18.00	-	149.41	-	9.26	-

* Computed using average forward contract rates

The following table details the group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in forward rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2022		Year ended March 31, 2021	
	Functional currency strengthens by 1%	Functional currency weakens by 1%	Functional currency strengthens by 1%	Functional currency weakens by 1%
Impact on profit / (loss) for the year				
USD	1.83	(1.83)	1.76	(1.76)
EUR	-	-	0.34	(0.34)
Impact on equity (Other Comprehensive Income)				
USD	56.31	(56.31)	36.47	(36.47)
EUR	3.34	(3.34)	2.05	(2.05)

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B. Interest Rate Risk Management

Interest rate risk arises from movements in interest rates which could have effects on the group's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

The group manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings. The group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed principal amount outstanding at the time of inception of the swap. Out of the total long term borrowings, the amount of fixed interest loan is ₹ 938.35 Crores and floating interest loan is ₹ 1,562.94 Crores (Previous year: Fixed interest loan ₹ 898.62 Crores and Floating interest loan ₹ 1,531.65 Crores).

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate long term borrowings, as follows:

	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %
Increase in profit before tax by	1.29	1.96	2.85	1.44

In case of increase in interest rate by above mentioned percentage, there would be a comparable negative impact on the profit before tax as mentioned above.

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The group has exposures to USD-LIBOR and EUR-IBOR on its financial instruments. The group has renegotiated all working capital facilities agreements and have moved to new benchmarks, wherever IBOR reforms had mandated.

As per the IBOR reform regulations, USD LIBOR based contracts entered into on or before December 31, 2021 are allowed to continue utilising the facility until the maturity date, provided such date is before June 30, 2023, the group has certain loans which falls under this category and accordingly, the management has taken a decision to continue on 1 Month / 3 Months / 6 Months LIBOR.

All the EUR denominated long term loans of the Group are linked to EURIBOR and thus not impacted by IBOR reforms.

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The group have two loans (USD LIBOR benchmark linked) which are maturing after June 2023 and the management has planned to migrate these loans to Secured Overnight Financing Rate (SOFR) benchmark prior to June 2023, along with IRS contract, if any. The management does not envisage any significant impact on the consolidated financial statements due to the migration.

Interest Rate Swap Contracts

Under interest rate swap (IRS) contracts, the group agrees to exchange the difference between fixed and floating rate interest amounts calculated on the agreed notional principal amounts. Such contracts enables the group to mitigate the risk of changing interest rates.

The following table details the IRS contracts outstanding at the end of the reporting period:

Outstanding Contracts	No of Deals		Contract Value of Foreign Currency (In Millions)		Maturity			
					Up to 12 months Nominal Amount* (₹ Crores)		More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
IRS Contracts*	4	4	20.28	31.05	90.76	85.49	62.79	141.68

Each of the above trades are in the nature of cash flow hedges and are effective hedges. The mark to market on these trades is therefore routed through Cash flow Hedge Reserve. The interest rate swap and the interest payments on the loan are paid simultaneously and are charged to statement of profit and loss.

* Sensitivity on the above IRS contracts in respect of interest rate exposure is insignificant

C. Hedge accounting

Cash flow hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2022		Year ended March 31, 2022	As at March 31, 2021		Year ended March 31, 2021
	Nominal amount (₹ Crores)	Carrying amount where the Assets / (liabilities) instrument is included (₹ Crores)		Nominal amount (₹ Crores)	Carrying amount where the Assets / (liabilities) instrument is included (₹ Crores)	
Foreign exchange contracts	6,091.63	121.17 Other financial assets (current and non - current) (5.36) Other financial liabilities (current and non - current)	35.63 (5.36)	4,462.65	85.54 Other financial assets (current and non - current) - Other financial liabilities (current and non - current)	151.16 -

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Hedging instruments	As at March 31, 2022		Year ended March 31, 2022	As at March 31, 2021		Year ended March 31, 2021
	Nominal amount (₹ Crores)	Carrying amount where the Assets / (liabilities) instrument is included (₹ Crores)		Nominal amount (₹ Crores)	Carrying amount where the Assets / (liabilities) instrument is included (₹ Crores)	
Foreign currency denominated loans	1,236.86	(1,236.86) Non-current/ current borrowings	8.20	1,055.91	(1,055.91) Non-current borrowing	(1.27)
Interest rate swap contacts	153.55	3.52 Other financial assets (current and non - current) - Other financial liabilities (current and non - current)	2.51 0.54	227.17	1.01 Other financial assets (current and non - current) (0.54) Other financial liabilities (current and non - current)	1.01 1.88

Fair Value hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2022		Year ended March 31, 2022	As at March 31, 2021		Year ended March 31, 2021
	Nominal amount (₹ Crores)	Carrying amount where the Assets / (liabilities) instrument is included (₹ Crores)		Nominal amount (₹ Crores)	Carrying amount where the Assets / (liabilities) instrument is included (₹ Crores)	
Foreign exchange contracts	186.51	3.64 Other financial assets / liabilities (current and non - current)	(0.75)	215.21	4.39 Other financial assets / liabilities (Current and Non - current)	6.89

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Movement of cash flow hedging reserve and cost of hedging reserve:

Particulars	Cash flow hedging reserve		Cost of hedging reserve	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Opening Balance	7.53	(78.56)	3.13	-
Changes in the spot element of the forward contracts which is designated as hedging instruments for time period related hedge	(3.12)	8.59	-	-
Changes in the forward element of the forward contracts where changes in spot element of forward contract is designated as hedging instruments for time period related hedges	-	-	19.31	7.74
Changes in fair value of forward contracts designated as hedging instruments	28.77	130.71	-	-
Changes in fair value of interest rate swaps	3.05	2.89	-	-
Amount reclassified to Profit or Loss (Foreign exchange (gain) / loss)	16.54	3.12	(21.48)	(4.28)
Amount arising from remeasurement of financial liability	(5.25)	(12.98)	-	-
Taxes related to above	(13.03)	(46.24)	(0.45)	(0.33)
Closing Balance	34.49	7.53	0.51	3.13

40.3.2 Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables, loans and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Investments of surplus funds are made only with counterparties who meet the parameters specified in Investment Policy of the groups. The investment policy is reviewed by the group's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as to minimize the concentration of risks and therefore mitigate financial loss due to counterparty's potential failure.

Expected credit loss on financial assets:

To manage credit risk for trade receivables, the group establishes credit approvals and credit limits, periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

With regard to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets other than as detailed below.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Loss allowance for the following financial assets have been recognised by the Group:

	Note No.	As at March 31, 2022	As at March 31, 2021
Loans - current	8	2.74	2.74
Trade receivables	13	3.45	5.03
		6.19	7.77

Movement of loss allowance:

	Loans (current and non current)	Trade receivables
As at March 31, 2020	2.74	3.61
Provided during the year	0.24	11.70
Reversed / utilised during the year	(0.24)	(10.28)
As at March 31, 2021	2.74	5.03
Provided during the year	0.17	0.78
Reversed / utilised during the year	(0.17)	(2.35)
As at March 31, 2022	2.74	3.45

Other than financial assets mentioned above, none of the group's financial assets are impaired, as there are no indications that defaults in payments obligation would occur.

40.3.3 Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the group to meet its financial obligations. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of money market instruments, bank overdrafts, bank loans, debentures and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director, Chief Financial Officer and Treasury Head. The group assesses the concentration of risk with respect to refinancing its debt, guarantee given and funding of its capital expenditure according to needs of the future. The group manages its liquidity by holding appropriate volumes of liquid assets which are available for its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyse the group's financial liabilities into relevant maturity profiles based on their contractual maturities:

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2022				
Borrowings*	1,819.30	1,783.41	-	3,602.71
Lease Liabilities**	28.63	84.50	59.52	172.65
Trade payables	2,096.35	-	-	2,096.35
Other financial liabilities	371.70	153.86	-	525.56
	4,315.98	2,021.77	59.52	6,397.27

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2021				
Borrowings*	1,477.41	1,806.11	214.67	3,498.19
Lease Liabilities**	19.30	53.85	53.68	126.83
Trade payables	1,585.19	-	-	1,585.19
Other financial liabilities	432.29	0.54	-	432.83
	3,514.19	1,860.50	268.35	5,643.04

* including future cash outflow towards estimated interest on non-current borrowings.

** including future cash outflow towards estimated interest on lease liabilities.

41 Contract balances

The following table provides information about contract liabilities from contracts with customers

Contract liability	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	18.40	12.68
Revenue recognised that was included in the contract liability balance at the beginning of the period	(18.40)	(12.68)
Increase due to cash received, excluding the amount recognised as revenue during the period	28.32	18.40
	28.32	18.40

42 Non-current assets held for sale and Discontinued operation

A Technical Textiles Business of SRF Industries(Thailand) Limited

(a) Description

SRF Industries(Thailand) Limited closed its Technical Textiles Business operations located at Rayong, Thailand w.e.f. October 21, 2019. The business was reported as part of Technical Textiles Business as per requirements of Ind AS 108 – “Operating Segments” in the consolidated financial statements. The financial information of the said business have been classified as Discontinued Operations as per requirements of INDAS 105 – “Non-current assets held for sale and discontinued operations”. The particulars of said discontinued operations are as under:

(b) Financial performance and cash flow information

S.no.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
I	(a) Sale of Products	-	-
	(b) Other operating Revenues	-	2.26
	(c) Total revenue from operations {I(a)+I(b)}	-	2.26
	(d) Other income	-	6.22
	(e) Total income {I(c)+I(d)}	-	8.48
	(f) Total expenses excluding point no.(g)	-	11.21

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

S.no.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	(g) Impact on account of fair value measurement loss / (gain) on assets/liabilities	-	-
	(h) Profit / (loss) before tax from discontinued operations {I(e)-I(f)-I(g)}	-	(2.73)
	(i) Tax expense / (gain) related to discontinued operations		(2.42)
II	Net Profit / (loss) after tax from discontinued operations {1(h)-I(i)}	-	(0.31)
III	Net cash generated from operating activities	-	(1.64)
IV	Net cash generated from investing activities	-	17.91
V	Net cash used in financing activities	-	(0.06)

B. Pursuant to requirements of Ind AS 105, the amounts in the consolidated statement of profit and loss (and related notes) for the previous year have been presented for continuing operations, as applicable unless otherwise stated.

C. Assets classified as held for sale

(a) Description:

During the current year, the management has decided to dispose off inoperative assets related to Industrial Yarn Unit. Accordingly, these assets have been classified as assets held for sale in terms of Ind AS 105- “Non-current assets held for sale and discontinued operations” and recognised at their estimated fair value. Till previous year, these assets were reported under “Technical textiles business segment” in accordance with the requirements of Ind AS 108 – “Operating Segments” in the consolidated financial statements.

(b) Assets classified as held for sale:

	As at March 31, 2022	As at March 31, 2021
Property plant and equipment	3.00	-

(c) Loss recognised on:

	Year ended March 31, 2022	Year ended March 31, 2021
(i) Impairment of goodwill	0.62	-
(ii) Fair value of assets classified as held for sale	5.75	-

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

43 Leases

The group leases various types of assets including land, buildings and Plant & Machinery. Information about leases for which the group is a lessee is presented below.

Right-of-use assets	Land *	Buildings	Plant & equipment	Total
Cost				
Balances at March 31, 2020	148.04	44.98	50.63	243.65
Additions/adjustments	3.25	2.13	1.86	7.24
Disposals	-	(0.86)	(2.60)	(3.46)
Balance at March 31, 2021	151.29	46.25	49.89	247.43
Additions/adjustments	4.88	(0.45)	58.59	63.02
Disposals	-	-	(8.20)	(8.20)
Balance at March 31, 2022	156.17	45.80	100.28	302.25
Accumulated depreciation				
Balances at March 31, 2020	0.87	6.76	8.44	16.07
Depreciation expenses	1.68	7.07	9.31	18.06
Disposals	-	(0.86)	(2.60)	(3.46)
Balances at March 31, 2021	2.55	12.97	15.15	30.67
Depreciation expenses	1.74	6.59	16.10	24.43
Disposals	-	-	(8.20)	(8.20)
Balance at March 31, 2022	4.29	19.56	23.05	46.90

Net block

Balances at March 31, 2021	148.74	33.28	34.74	216.76
Balances at March 31, 2022	151.88	26.24	77.23	255.35

* The execution of lease deed of land in respect of 1,165,437 square meters of leasehold land already allotted (out of a total of 1,181,776 square meters) to the Company is pending. As a process agreed with Gujarat Industrial Development Corporation (GIDC), the same will be executed once the entire / substantial portion of the above piece of land is allotted / handed over to the Company.

Lease liabilities included in the Balance Sheet	As at March 31, 2022	As at March 31, 2021
Current	20.66	13.80
Non-current	95.18	63.83

The average incremental borrowing rate applied to lease liabilities during the year ranges from 6.40% to 7.00% (Previous year: 6.50% to 8.00%)

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Amounts recognised in Statement of Profit and Loss	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilities	8.69	6.49
Depreciation expense	24.43	18.06
Expenses relating to short-term leases and leases of low-value assets (Refer note 30)	30.36	17.92

Amounts recognised in Cash Flow Statement	Year ended March 31, 2022	Year ended March 31, 2021
Total cash outflow for leases	25.68	20.19

44 Group Information

Name	Principal activities	Country of incorporation	% equity interest	
			March 31, 2022	March 31, 2021
SRF Holiday Home Limited	Development and lease of Industrial, commercial and residential complexes	India	100%	100%
SRF Altech Limited	Manufacture of Aluminium films	India	100%	—
SRF Employees Welfare Trust (Controlled Trust)	Implementation and operationalisation of long term incentive plans of the Company	India	*	*
SRF Global BV	Investment company	Netherlands	100%	100%
SRF Flexipak (South Africa) (Pty) Limited (subsidiary of SRF Global BV)	Manufacture of BOPP and metallized BOPP films	Republic of South Africa	100%	100%
SRF EUROPE Kft (subsidiary of SRF Global BV)	Manufacture of Polyester film and metallized Polyester film	Hungary	100%	100%
SRF Industries (Thailand) Limited (subsidiary of SRF Global BV)	Manufacture of Tyre cord fabric, Polyester film and metallized Polyester film & trading of chemical products	Thailand	100%	100%
SRF Industex Belting (Pty) Limited (subsidiary of SRF Global BV)	Trading of packaging films and chemical products	Republic of South Africa	100%	100%

* By virtue of management control.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

45 Additional information as required by Paragraph 2 of General Instructions for preparation of consolidated financial statements to the Schedule III to the Companies Act, 2013

Name of the entity in the Group	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 (₹ Crores)	As % of consolidated Share in profit or loss	Amount (₹ Crores)	As % of consolidated other comprehensive income	Amount (₹ Crores)	As % of total consolidated comprehensive income	Amount (₹ Crores)
I Parent - SRF Limited	89%	7,624.81	80%	1,507.01	112%	23.25	80%	1,530.26
II Subsidiaries:								
A Indian								
1 SRF Holiday Home Limited	-	3.75	-	0.01	-	-	-	0.01
2 SRF Altech Limited	-	2.72	-	(2.28)	-	-	-	(2.28)
3 SRF Employees Welfare Trust (Controlled Trust)	-	0.05	-	(0.01)	-	-	-	(0.01)
B. Foreign								
1 SRF Global BV (Consolidated)	12%	1,036.38	20%	383.42	(12)%	(2.53)	20%	380.89
Adjustments arising out of consolidation	(1)%	(102.35)	-	0.77	-	-	-	0.77
Total	100%	8,565.36	100%	1,888.92	100%	20.72	100%	1,909.64
Non-controlling Interests in all subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

46 Business Combinations

Effective March 04, 2022, one of subsidiaries (SRF Industex Belting (Pty) Limited) in the group acquired a business from an external party (Supratov Investments CC). The following assets were recognised as at the date of acquisition on the basis of provisional purchase price allocation.

Assets acquired	Amount
Inventories	15.71
Intangible assets (Customer Contracts)	9.79
Purchase Price	25.50

Based on the current available information, the management has identified the above mentioned assets and carried out initial account as per Ind AS 103, as the business has been acquired closer to year-end. The group is in the process of identifying additional intangibles, if any, and completing the registration process of property, plant and equipment (building). Any further adjustments, would be recognised once the accounting for business combination is complete.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

47 ADDITIONAL DISCLOSURES

(a) RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹116.99 crores (Previous Year - ₹ 110.50 crores) included in these financials statements are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Capital expenditure	8.49	13.46
Revenue expenditure	108.50	97.04
	116.99	110.50

The details of revenue expenditure incurred on research and development is as below:

	Year ended March 31, 2022	Year ended March 31, 2021
Cost of material consumed	1.68	2.73
Salaries and wages, including Bonus	49.11	42.97
Contribution to provident and other funds	2.92	2.61
Workmen and staff welfare expenses	3.37	2.72
Stores and spares consumed	4.94	6.11
Power and fuel	7.94	4.84
Rent	0.26	-
Repairs and maintenance		
- Plant and machinery	10.63	8.32
- Others	0.85	0.58
Insurance	1.02	0.96
Rates and taxes	0.06	0.07
Travelling and conveyance	0.51	0.16
Legal and professional charges	4.12	3.58
Depreciation and amortisation expense	16.65	18.33
Interest cost	0.05	0.28
Miscellaneous expenses	4.39	2.78
	108.50	97.04

(b) MANAGERIAL REMUNERATION

	Year ended March 31, 2022	Year ended March 31, 2021
(i) (a) Remuneration to Chairman / Managing Director / Deputy Managing Director / Whole time Director		
Salary and contribution to provident and other funds	16.39	12.04
Value of perquisites	2.58	2.36
Commission	18.00	12.00
SUB-TOTAL	36.97	26.40

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
(b) Remuneration to Non Executive Directors		
Commission	0.90	0.84
Directors sitting fees	0.29	0.27
Other fees	0.06	0.14
SUB-TOTAL	1.25	1.25
TOTAL	38.22	27.65

- (c) The Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13 AA of Ind AS 101. Accordingly, exchange loss/ (gain) arising on all long term monetary items financed or re-financed on or before March 31, 2016 relating to acquisition of following depreciable assets are added to/ adjusted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of such assets.

Exchange loss/ (gain) added/ (adjusted)	Year ended March 31, 2022	Year ended March 31, 2021
Property, plant and equipment		
- Roads	0.11	(0.52)
- Buildings	1.52	(6.98)
- Plant and equipment	13.60	(31.59)
- Furniture and fixtures	0.04	(0.14)
- Office equipment	0.01	(0.01)
	15.28	(39.24)

The cumulative exchange loss/ (gain) added/ (adjusted) and remaining unamortised as at March 31, 2022 is ₹ 258.34 Crores (Previous year: ₹ 259.14 Crores).

(d) Disclosure on corporate social responsibility expense:

	Year ended March 31, 2022	Year ended March 31, 2021
(i) Amount required to be spent by the company during the year	18.61	12.88
(ii) Amount of expenditure incurred	19.06*	10.18
(iii) Shortfall at the end of the year	-	2.7**
(iv) Total of previous years shortfall	-	-
(v) Reason of shortfall	-	Pertains to ongoing projects

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
(vi) Nature of CSR activities	School education, disaster management, environmental projects, Covid 19 Relief, Vocational skill and livelihoods projects and promotion of art and cultural projects	
(vii) Details of related party transactions	21.38	9.18
(viii) Provision made with respect to a liability incurred by entering into a contractual obligation	-	-

** Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the unspent amount was subsequently deposited in a "Unspent CSR Account" and also utilised during the year ended March 31, 2022.

* This includes ₹ 18.68 crores pertaining to current year and ₹ 0.37 crores pertaining to previous year. In accordance with the above amended rules, the Company had taken credit for ₹ 0.37 crores for excess CSR expenditure incurred during financial year 2019-20 and adjusted the same towards the CSR obligation for financial year 2020-21. However, the Ministry of Corporate Affairs (MCA), through its circular dated August 25, 2021, clarified that the companies cannot set off excess CSR amount spent prior to financial year 2020-21. Accordingly, an amount of ₹ 0.37 crore has been transferred to one of the specified funds prescribed under Schedule VII to the Companies Act, 2013 before September 30, 2021.

- (e) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2022 is to be conducted on or before due date of the filing of return and the Company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

(f) OTHER STATUTORY INFORMATION

- (i) There are no funds which 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 or any of subsidiaries incorporated in India, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, 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 Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) There are no funds which have been received by the Holding Company or any of subsidiaries incorporated in India, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(iii) The group does not have any transactions with companies which are struck off, except the following:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021	Relationship with the struck off company, if any
Jyotsna Engineers & Consultants Private Limited	Receivables	^	^	Vendor
Krishna Freeze Private Limited	Payables	0.01	0.01	Customer
Perfect Refcon & Tools Private Limited	Payables	0.01	0.01	Customer

^ Amount in absolute ₹ 2,000 (Previous year: ₹ 2,000)

(iv) The group does not have any benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.

(v) The group is not declared a wilful defaulter by any bank or financial institution or any other lender.

(vi) The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(vii) The group does not have any 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).

(viii) The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(g) The figures for the previous year have been regrouped wherever necessary to comply with amendments in Schedule III of the Companies Act, 2013.

As per our report of even date attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place: Gurugram
Date: May 27, 2022

Ashish Bharat Ram
Chairman and
Managing Director
DIN - 00671567
Place: Gurugram
Date: May 09, 2022

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557
Place: Gurugram
Date: May 09, 2022

Rahul Jain
President & CFO
Place: Gurugram
Date: May 09, 2022

Bharti Gupta Ramola
Director
DIN - 00356188
Place: Gurugram
Date: May 09, 2022

Rajat Lakhanpal
Vice President
(Corporate Compliance)
and Company Secretary
Place: Gurugram
Date: May 09, 2022

Statement pursuant to first proviso to sub section(3) of section 129 of Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in prescribed form AOC-1 relating to subsidiaries/associates companies/joint ventures

A Statement showing salient features of the financial statements of subsidiaries

Indian Subsidiaries

S. No.	Name of the subsidiary	SRF Holiday Home Limited (subsidiary of SRF Limited) (₹ Crores)	SRF Altech Limited (subsidiary of SRF Limited) (₹ Crores)
(a)	Reporting Period	1 April 2021 to 31 March, 2022	1 April 2021 to 31 March, 2022
(b)	Date since when subsidiary was acquired/formed	30.01.2008	15.03.2022
(c)	Reporting Currency	INR	INR
(d)	Exchange Rate	-	-
(e)	Share Capital	4.00	5.00
(f)	Reserves and Surplus	(0.25)	(2.28)
(g)	Total Assets	3.78	2.72
(h)	Total Liabilities	0.02	0.01
(i)	Investment	-	-
(j)	Turnover	-	-
(k)	Profit/(Loss) Before Taxation	0.01	(2.76)
(l)	Tax expense / (income)	-	(0.47)
(m)	Profit/(Loss) After Taxation	0.01	(2.28)
(n)	Proposed Dividend	-	-
(o)	% of shareholding	100%	100%

S. No.	Name of the subsidiary	SRF Global BV# (subsidiary of SRF Limited)		SRF Flexipak (South Africa) (Pty) Limited# (subsidiary of SRF Global BV)	
		USD	₹ Crores	Rand	₹ Crores
(a)	Reporting Period	1 April 2021 to 31 March, 2022		1 April 2021 to 31 March, 2022	
(b)	Date since when subsidiary was acquired/formed	20.10.2008		26.10.2011	
(c)	Reporting Currency	USD	₹ Crores	Rand	₹ Crores
(d)	Exchange Rate	75.73		5.22	
(e)	Share Capital	1,83,15,664	138.70	100	0.00
(f)	Reserves and Surplus	(2,42,53,897)	(183.67)	54,92,59,311	286.71
(g)	Total Assets	8,00,89,962	606.52	93,01,73,795	485.55
(h)	Total Liabilities	8,60,28,195	651.49	38,09,14,384	198.84
(i)	Investment	*	*	-	-
(j)	Turnover	-	-	1,21,82,56,227	635.93
(k)	Profit/(Loss) Before Taxation	(3,47,088)	(2.63)	31,51,60,169	164.51
(l)	Tax expense / (income)	-	-	8,60,57,017	44.92
(m)	Profit/(Loss) After Taxation	(3,47,088)	(2.63)	22,91,03,152	119.59
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

* Investment in subsidiary USD 1,42,79,669 (Equivalent to ₹ 108.14 crores)

S. No.	Name of the subsidiary	SRF Industries (Thailand) Limited#		SRF Industex Belting (Pty) Limited#	
		(subsidiary of SRF Global BV)		(subsidiary of SRF Global BV)	
		THB	₹ Crores	Rand	₹ Crores
(a)	Reporting Period	1 April 2021 to 31 March, 2022		1 April 2021 to 31 March, 2022	
(b)	Date since when subsidiary was acquired/formed	08.09.2008		13.06.2008	
(c)	Reporting Currency	THB	₹ Crores	Rand	₹ Crores
(d)	Exchange Rate	2.28		5.22	
(e)	Share Capital	20,00,00,300	45.60	1,33,20,202	6.95
(f)	Reserves and Surplus	3,10,05,96,284	706.94	(4,66,60,708)	(24.36)
(g)	Total Assets	8,04,89,03,897	1,835.15	10,66,76,650	55.69
(h)	Total Liabilities	4,74,83,07,313	1,082.61	14,00,17,156	73.09
(i)	Investment	-	-	-	-
(j)	Turnover	6,01,36,39,796	1,371.11	2,21,61,161	11.57
(k)	Profit/(Loss) Before Taxation	1,01,37,84,473	231.14	29,57,686	1.54
(l)	Tax expense / (income)	2,16,43,990	4.93	-	-
(m)	Profit/(Loss) After Taxation	99,21,40,483	226.21	29,57,686	1.54
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

S. No.	Name of the subsidiary	SRF Europe Kft#	
		(subsidiary of SRF Global BV)	
		EURO	₹ Crores
(a)	Reporting Period	1 April 2021 to 31 March, 2022	
(b)	Date since when subsidiary was acquired/formed	25.04.2018	
(c)	Reporting Currency	EURO	₹ Crores
(d)	Exchange Rate	84.07	
(e)	Share Capital	10,10,000	8.49
(f)	Reserves and Surplus	48,57,005	40.83
(g)	Total Assets	11,73,56,051	986.61
(h)	Total Liabilities(external liabilities)	11,14,89,046	937.29
(i)	Investment	-	-
(j)	Turnover	7,24,60,536	609.18
(k)	Profit/(Loss) Before Taxation	50,70,087	42.62
(l)	Tax expense / (income)	69,915	0.59
(m)	Profit/(Loss) After Taxation	50,00,172	42.04
(n)	Proposed Dividend	-	-
(o)	% of shareholding	100%	

The financial statements of these foreign subsidiaries have been converted into Indian Rupees on the basis of following exchange rates:

(i)	1 USD = ₹ 75.73
(ii)	1 Baht = ₹ 2.28
(iii)	1 Rand = ₹ 5.22
(iv)	1 Euro = ₹ 84.07

B Statement containing salient features of the financial statements of associates companies/joint ventures

Name of Associate Companies/Joint Ventures #	Malanpur Captive Power Ltd.	Vaayu Renewable Energy(Tapti) Pvt. Ltd.
Latest audited Balance Sheet date	31.03.2021	31.03.2021
Share of Associate Companies held by the Company on the year end	4.22	0.05
Date on which the Associate was associated or acquired	09.01.2007	29.05.2013
Shares of associate held by the company on the year end		
Number of shares:	42,21,535	50,000
Amount of investment in Associate Companies	4.22	0.05
Extent of holding (%)	22.60%	26.32%
Description of how there is significant influence	Due to control of at least 20% of total share capital as envisaged in Sec. 2(6) of the Companies Act ,2013	Due to control of at least 20% of total share capital as envisaged in Sec. 2(6) of the Companies Act ,2013
Reason why the associate company is not consolidated	*	*
Net worth attributable to shareholding as per latest Audited Balance Sheet	(7.46)	11.60
Profit & loss for the year		
(i) Considered in Consolidation	Nil	Nil
(ii) Not considered in Consolidation	(0.35)	(0.70)

The company has no joint venture

* Investment in both these captive power companies are held by the company as a consumer in accordance with the requirements of the Electricity Act, 2005. The company does not exercise significant influence as defined under IND AS over these companies and therefore their annual accounts are not consolidated with the annual accounts of the company.

For and on behalf of the Board of Directors

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567
Place: Gurugram
Date: May 09, 2022

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557
Place: Gurugram
Date: May 09, 2022

Bharti Gupta Ramola
Director
DIN - 00356188
Place: Gurugram
Date: May 09, 2022

Rahul Jain
President & CFO
Place: Gurugram
Date: May 09, 2022

Rajat Lakhanpal
Vice President (Corporate Compliance) and Company Secretary
Place: Gurugram
Date: May 09, 2022

Notes

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Registered Office

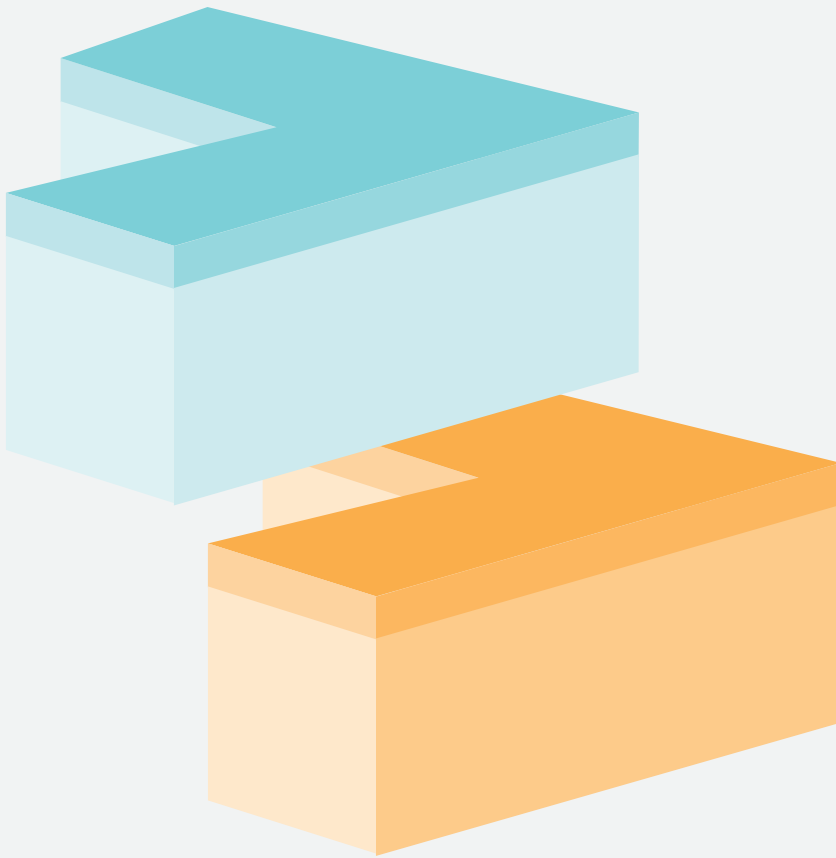
Unit No. 236 & 237, 2nd Floor, DLF Galleria, Mayur Place,
Noida Link Road, Mayur Vihar Phase - I Extn., Delhi, India - 110 091
Tel.: +91-11- 49482870

Corporate Office

Block - C, Sector - 45, Gurugram, Haryana, India - 122 003
Tel.: +91-124-4354400

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**ACCELERATING
GROWTH.
SCALING NEW
HEIGHTS.**

**ANNUAL REPORT
2020-21**

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SRF AT A GLANCE

WHO WE ARE

We are a R&D-driven diversified chemicals conglomerate. Our purpose - "We always find a better way" - is encapsulated not only in the products that we manufacture and the superior processes that we adopt, but also amply demonstrated in our penchant for employee engagement, transparent governance and inclusive growth.

WHAT WE DO

Our wide range of products and solutions are sold worldwide. These are used in varied applications and segments: from tyres to air conditioners, from mines to cricket grounds, from automotive to household appliances, from food packaging to raw materials for agrochemicals and pharmaceuticals.

With our diverse portfolio, we strive to provide the highest quality, sustainable industrial and specialty intermediates that contribute to a better way of life.

HOW WE DO IT

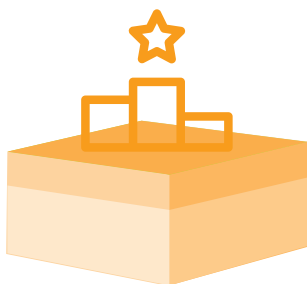
At SRF, we continuously strive to work towards and be known for our Aspirations – 2025, which are:

- Professional Reputation and Value System
- Customer Advocacy
- Innovation and Technology Leadership
- Operational Excellence

WHY WE DO IT

Through our innovation-led products & offerings, we help provide solutions to some of the world's most pressing and complex needs.

SRF LIMITED - A DIVERSIFIED CHEMICALS CONGLOMERATE



RANKING

- Largest manufacturer of Difluoro & Trifluoro Alkyl Intermediates (globally)
- 2nd Largest manufacturer of Nylon 6 tyre cord fabrics (globally)
- 3rd Largest manufacturer of Conveyor belting fabrics (globally)
- Pioneer in F 134a and F 32 refrigerants (India)



OTHERS

- One of the few manufacturers of Pharma grade HFA 134a/P in the world, which is used in Metered Dose Inhalers as a propellant
- Only Company in India manufacturing Polyester tyre cord fabric



AWARDS/RECOGNITION IN FY21

- Managing Director, Ashish Bharat Ram named India's Best CEO in the emerging companies category by Business Today
- SRF's Specialty Chemicals Business awarded the Syngenta Supplier Award 2020 for performance
- SRF's Packaging Films Business South Africa plant awarded the 5 Star Rating for Occupational Health and Safety from the British Safety Council

CSR HIGHLIGHTS



SRF Foundation runs one of the largest community programs in India in the Education space

276
SCHOOLS

21
LOCATIONS

9
INDIAN STATES

IMPARTING QUALITY
EDUCATION TO MORE THAN

81,310+
STUDENTS

MARKET LEADERSHIP

SPECIALTY CHEMICALS BUSINESS

FLUOROchemicals BUSINESS

PACKAGING FILMS BUSINESS

TECHNICAL TEXTILES BUSINESS

FY21 AT A GLANCE

SPECIALTY CHEMICALS BUSINESS

- Established relationship with marquee customers
- Capability in scaling up pilot processes and creating value through operational excellence
- High levels of customer engagement backed by strong R&D, technical service, product and quality management under one roof
- Handling complex reactions - halogenation, ethylation, hydrogenation, nitration, diazotization, grignard, isomerization, amination, organocatalysis, and decarboxylation



- Unique and fully integrated facilities extending across a wide range of refrigerants, pharma propellants and industrial chemicals
- Domestic leadership in HFC's with strong trade distribution network; significant market share of Fluorochemicals in India with global scale operations
- Among the top five global manufacturers of key Fluorochemicals products

FLUOROchemicals BUSINESS

PACKAGING FILMS BUSINESS

- Recognized for expertise in developing, manufacturing, and marketing innovative and specialty packaging films
- Flexible business model, strong and loyal customer relationships with tailored solutions; NPD Lab to ensure future readiness
- Highly-efficient asset base offering value-added products near customer locations



- Domestic market leader in Tyre cord manufacturing and Belting fabrics
- 40% share in India's Nylon tyre cord market

TECHNICAL TEXTILES BUSINESS



EXPANDING OUR FOOTPRINT

FORAY INTO EUROPE:

SRF's Bi-axially Oriented Polyethylene Terephthalate (BOPET) film manufacturing facility is located at Jaszfenyszaru, Hungary. This state-of-the-art facility houses an ultra-modern 10.4m wide BOPET film line capable of producing 40,000 MT/annum.

EXPANDING IN RAYONG, THAILAND:

SRF Industries (Thailand) Ltd., a wholly-owned subsidiary of the Company set up the 2nd BOPET film line and a Resin plant at its existing facility in Rayong, Thailand in FY21.

CHAIRMAN'S MESSAGE



ARUN BHARAT RAM
CHAIRMAN, SRF LIMITED

Dear Shareholders,

As I reflect on an exceptionally difficult year, one thing is clear – we have all been impacted by COVID-19. The cruelty of this pandemic has been unparalleled and my heart goes out to all those who are grieving the passing of loved ones, to those who have lost their jobs, and to business owners who have been forced to shut down. While it has been a tough year for many and there are still immediate and pressing matters such as economic relief and equitable and widespread vaccination rollout to address, I am hopeful that better days are ahead.

Through all the challenges, I have deeply admired the resilience of my 7,000 extraordinary colleagues at SRF, who demonstrated dedication and professionalism, and kept the business moving forward. I am also grateful to our customers and to you, our shareholders, for your unwavering trust in the Company.

THE YEAR IN REVIEW

Accelerating Growth. Scaling New Heights.

FY21 gave us an opportunity to prove our steadfastness in critical times to all our stakeholders: customers, employees, business partners, and the community.

From a financial point of view, in FY 2020-21, your Company achieved a 31% increase in profit after tax at ₹ 1,198 crore compared to ₹ 916 crore last year. Your Company's revenue for the year stood at ₹ 8,400 crore as against ₹ 7,209 crore in the previous year, recording an overall growth of 17%. We grew market share across our businesses and continued to make significant investments in building our capabilities, nurturing talent, expanding our technology prowess, all the while maintaining credit discipline and a healthy balance sheet.

Coming to our specific Businesses now, I would like to talk about some of the milestones achieved by each of our business segments in FY 2020-21.

Chemicals Business

In FY 2020-21, the **Chemicals Business** accomplished strong growth of 23% Year-over-Year (Y-o-Y) to achieve record revenues of ₹ 3,645 crore.

In the **Specialty Chemicals Business**, our ongoing efforts to commercialize molecules for both the agrochemicals and pharmaceuticals segments are well on track and we continue to maintain a healthy product pipeline for the future. SRF's Specialty Chemicals Business is a 'Preferred Partner' with most of its global customers and I am happy to share that we have been honored with the 'Syngenta Supplier Award 2020 for Performance' during the year.

As we grow our revenues, we will continue to invest in this segment to sustain healthy growth rates over the next few years. In this regard, I am also pleased to share that your Company will be setting up a 4th Multi-Purpose Plant (MPP) at Dahej, Gujarat. As the Business is growing, it is essential to augment

facilities to capitalize on emerging business opportunities. With an expanding product portfolio, a new MPP facility will further support your Company's endeavors to tap emerging business opportunities and ensure a robust pipeline of new, cutting-edge products in the future. Similar investments alongside improved efficiencies, and optimum utilization of capacities, should enable us to deliver operational excellence and result in even better performance, going forward.

In the **Fluorochemicals Business**, our prudent investments in capacities, R&D, innovation, and technology has established us as one of the very few, fully backward-integrated producers globally. To build on this foundation and take it to a new level, the team delivered another first during the year and commissioned a state-of-the-art refrigerant application lab at our chemical manufacturing facility in Bhiwadi, Rajasthan. These are significant steps in what has been an ongoing journey of growing our R&D competence and we are already seeing important new benefits.

During the year, your Company also made an important announcement to set up an additional facility to produce 95,000 MT per annum of Chloromethanes at Dahej, Gujarat. This will take our total capacity to above 190,000 MT, making SRF a global player in Chloromethanes.

Our expansion plans are a big part of our overall vision of becoming a strong force in the global chemical industry and playing a much larger role in our customers' success.

Packaging Films Business

In FY 2020-21, our **Packaging Films Business** witnessed robust growth of 26% Y-o-Y to achieve record revenues of ₹ 3,292 crore. Scale, operating leverage, better margins, and strong demand from marquee customers across the globe helped establish SRF as a renowned player in the global packaging industry.

“THROUGH ALL THE CHALLENGES, I HAVE DEEPLY ADMIRERD THE RESILIENCE OF MY 7,000 EXTRAORDINARY COLLEAGUES AT SRF, WHO DEMONSTRATED DEDICATION AND PROFESSIONALISM, AND KEPT THE BUSINESS MOVING FORWARD. I AM ALSO GRATEFUL TO OUR CUSTOMERS AND TO YOU, OUR SHAREHOLDERS, FOR YOUR UNWAVERING TRUST IN THE COMPANY.”

”

With a new BOPET film line in Rayong, Thailand and the startup of our operations in Hungary, SRF's plants now have a combined annual capacity of 270,000 tons of BOPET and BOPP films, making us one of the biggest producers of both types of films.

As I write this note, we are nearing the commissioning of SRF's first BOPP film plant at Rayong, Thailand. Back home in India, civil work for SRF's new BOPP line & Metallizer at Indore is also progressing as per schedule.

With the support of our esteemed customers, we are confident of a vertical start-up of all our new lines that we hope to ramp up to maximum capacities in the months to come.



Technical Textiles Business

Technical Textiles Business had an encouraging performance in FY21, aided by a quick recovery in the tyre industry. Customers continue to favour domestic supplies owing to supply volatility, which has resulted in imports substitution.

In Belting Fabrics, our focus has been on customization of fabric required by our customers from time-to-time. With our investment in modernization, capacity expansion and technological upgradation, we are aiming to build our Belting Fabrics facility in Viralmalai, India as one of the largest single-location belting fabrics sites in the world.

Other Businesses

In our **Other Businesses**, SRF continues to maintain market leadership in the **Coated Fabrics Business**, with a high-volume share driven by improved sourcing initiatives and plant efficiency. Despite the COVID-19

induced lockdown, the **Laminated Fabrics Business** also performed well. SRF's semi-hot product has been well-received, and we are seeing an increase in volumes. On the other hand, due to severe oversupply conditions, margin pressure is expected to continue in this segment.

Unlocking full potential

During the year, your Company raised ₹ 750 crore from institutional investors by way of Qualified Institutional Placement. I am happy to share that your Company received an astounding response from marquee global and domestic investors, which is a testament of the robust systems and processes that we have in place. This is SRF's future growth capital and going forward, will enable suitable organic growth over the next twelve-to-eighteen months.

What our people mean to us

Our strong FY21 performance was possible because of the passion and tireless effort of our employees.

It was our highest priority to ensure the health of our employees, while also securing operations, supply chains, deliveries, and service to our customers. We committed to our employees that we would not eliminate any roles because of the COVID-19 pandemic. We also implemented efforts to support employees, including free, on-demand physical, mental and emotional healthcare programs.

As we move forward, we will make every possible effort to build, develop and retain a diverse talent pipeline while fostering a culture where everyone feels seen, heard, and empowered to thrive.

Our Community Outreach

Embedded in SRF's DNA is a responsibility to help people not be left behind. During the year, your Company remained committed to support COVID-19 relief work following the second wave in India and several more initiatives.

SRF Foundation, the corporate social responsibility arm of SRF and our CSR volunteers worked very hard to provide emergency response through the distribution of family essential kits, kits for frontline workers, vital drugs and hospital support material like oxygen concentrators and ICU beds to the community around our plant locations in India and overseas. Besides monetary support to various NGOs working to provide COVID-19 relief across the country, the team was also involved in conducting COVID-19 vaccination camps for the local community around our plant locations. With the help of professionals, SRF Foundation also set up oxygen generation plants in Amreli district of Gujarat and the Dhar district of Madhya Pradesh for community use.

In addition, SRF Foundation has been working on-the-ground to support the educational needs of children across our intervention schools by bridging the digital divide between rural and urban India, through innovative methods, so that **Learning never stops!** Our Vocational Skill training centres are imparting trainings to the youth to make them employable and contributing citizens of our country.

My deepest gratitude to the team for their commitment towards making a positive change in our society.

Our Sustainability Performance

At SRF, sustainability is a key business driver and a critical component of our success. In this year's Annual Report, we have, for the first time presented a holistic view of our value creation that goes beyond financials to equally important metrics of **Environment, Social, and Governance**. We are committed to ensuring our business practices are sustainable in every way possible, be it in the adoption of new technologies that enable a better, cleaner future or in the way we manage finite resources efficiently and care for our customers, employees, communities and the planet.

On behalf of the Board and management, I once again wish to thank you, our shareholders, for your continued support. We remain committed to creating long-term value for you every day.

Please be safe and stay well.

Sincerely,



Arun Bharat Ram
Chairman

OUR LOCATIONS



TECHNICAL TEXTILES BUSINESS

- Malanpur Industrial Area, Bhind, Madhya Pradesh, India - 477 116
- Manali Industrial Area, Manali, Chennai, Tamil Nadu, India - 600 068
- Plot No. K1, SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamil Nadu, India - 601 201
- Viralimalai, District - Pudukottai, Tamil Nadu, India - 621 316



CHEMICALS BUSINESS

- Village - Jhiwana, PO - Khijuriwas, Tehsil - Tijara, District - Alwar, Rajasthan, India - 301 019
- D - 2/1, GIDC Phase II, PCPIR, Village - Dahej, District - Bharuch Gujarat, India - 392 130



PACKAGING FILMS BUSINESS

- Plot No. 12, Rampura, Ramnagar Road, Kashipur, District Udham Singh Nagar, Uttarakhand, India - 244 713
- Sector 3, SEZ Indore, Pithampur, District - Dhar, Madhya Pradesh, India - 454 775
- Plot No. 675, Industrial Area, Sector 3, Village - Bagdoon, Pithampur, District - Dhar, Madhya Pradesh, India - 454 775
- SRF Industries (Thailand) Ltd. Hemraj Eastern Seaboard Industrial Estate, 112, Moo 3, Tambon Tasith, Amphur Pluakdaeng Rayong Province, Thailand - 21140
- SRF Flexipak (South Africa) (Pty) Ltd. 5 Eddie Hagen Dr, Cato Ridge 3680, Durban, South Africa
- SRF Europe KFT 05/219, Jaszfenyszaru Industrial Park, Jaszfenyszaru, 5126 Hungary



OTHER BUSINESSES

- Plot No. K1, SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamil Nadu, India - 601 201
- Unit No. 2, Plot No. 12, Rampura, Ramnagar Road, Kashipur, District - Udham Singh Nagar, Uttarakhand, India - 244 713

BOARD OF DIRECTORS



ARUN BHARAT RAM
CHAIRMAN



ASHISH BHARAT RAM
MANAGING DIRECTOR



KARTIK BHARAT RAM
DY. MANAGING DIRECTOR



PRAMOD G. GUJARATHI
DIRECTOR – SAFETY & ENVIRONMENT



DR. MEENAKSHI GOPINATH
DIRECTOR – CSR



LAKSHMAN LAKSHMINARAYAN
INDEPENDENT DIRECTOR



VELLAYAN SUBBIAH
INDEPENDENT DIRECTOR



TEJPREET S CHOPRA
INDEPENDENT DIRECTOR



BHARTI GUPTA RAMOLA
INDEPENDENT DIRECTOR



PUNEET YADU DALMIA
INDEPENDENT DIRECTOR



YASH GUPTA
INDEPENDENT DIRECTOR

CORPORATE INFORMATION

AUDITORS

M/s B S R & Co. LLP,
Chartered Accountants

PRESIDENT & CFO

Rahul Jain

VICE PRESIDENT (CORPORATE COMPLIANCE) & COMPANY SECRETARY

Rajat Lakhanpal

BANKERS

ICICI Bank
State Bank of India
Standard Chartered Bank
Citibank NA
DBS Bank India Limited
HDFC Bank
Kotak Mahindra Bank
HSBC
Axis Bank
Yes Bank
MUFG Bank Limited
Sumitomo Mitsui Banking Corporation
Mizuho Bank Limited
IDFC Bank
BNP Paribas

REGISTERED OFFICE

(CIN: L18101DL1970PLC005197)
Unit Nos. 236 & 237, 2nd Floor,
DLF Galleria, Mayur Place,
Noida Link Road, Mayur Vihar
Phase I Extension,
Delhi, India - 110 091
Tel: +91-11- 49482870

CORPORATE OFFICE

Block - C, Sector - 45,
Gurugram - 122 003,
Haryana, India

Email: info@srf.com

www.srf.com



OUR APPROACH TO ESG

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SCOPE AND BOUNDARY

The ESG section of the report reflects the current systems, practices, performance and the various initiatives undertaken by SRF for integrating ESG into their business activities. The report provides information on SRF India entity* only and covers the period from 1st April 2020 to 31st March 2021.

SRF'S BUSINESS VERTICALS



CHEMICALS BUSINESS

Chemicals Business includes two segments, namely Speciality Chemicals and Fluorochemicals

Plants in Dahej and Bhiwadi located in Gujarat and Rajasthan respectively

Speciality Chemicals

- Expertise in fluorine chemistry and deep knowledge in a variety of other organic chemistries.
- Capability to produce active, non-active advanced intermediaries used in agrochemical and pharmaceutical industries, custom research & synthesis for major players in agrochemicals and pharma space.

Fluorochemicals

- Global-scale fully integrated player in refrigerants & pharma propellants and industrial chemicals.
- Manufacturer of ozone-friendly refrigerants in India.
- Product application in room air-conditioners, pharma, automobile air-conditioners, refrigerators and chillers.



TECHNICAL TEXTILES BUSINESS

Plants in Manali, Gummidipoondi and Viralmalai in Tamil Nadu and Malanpur in Madhya Pradesh

- Largest manufacturer of technical textiles in India and also enjoys a global leadership for most of the products under this business.
- Technical textiles business offers a wide range of high-performance reinforcements, covering both nylon and polyester yarns and fabrics for diverse non-consumer and lifestyle applications.
- Product basket for technical textiles contains tyre cord fabrics, belting fabrics and industrial yarn.
- Used in varied applications, such as tyres, seat-belts, conveyer-belts and other industrial applications



PACKAGING FILMS BUSINESS

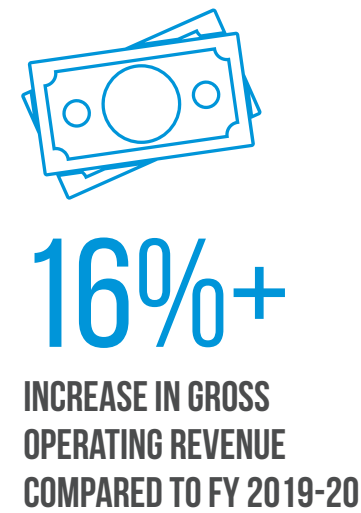
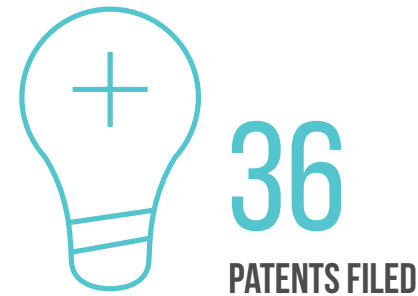
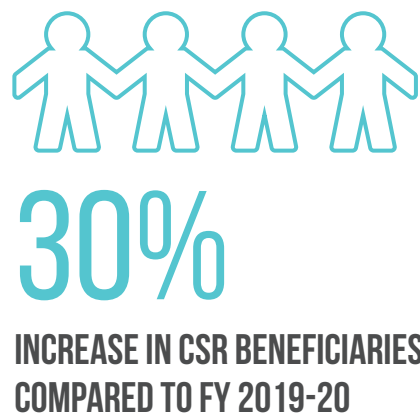
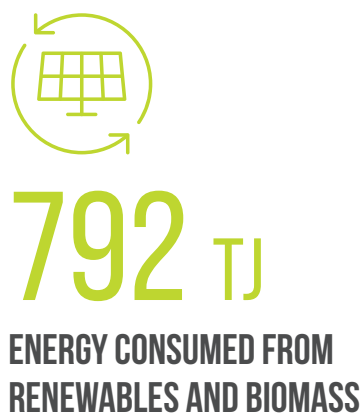
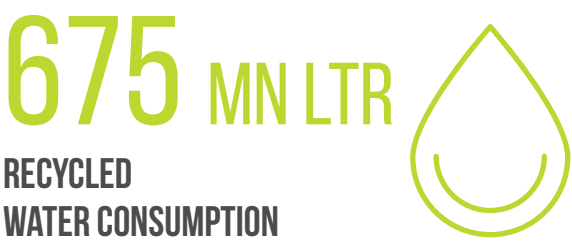
One plant in Kashipur, Uttarakhand and two plants in Indore, Madhya Pradesh (In addition, there are global plant facilities in Thailand, South Africa and Hungary)

- State-of-the-art facilities having capability to offer innovative solutions in BOPET and BOPP Films**.
- Spectrum of product mix includes transparent, metalized, coated, and other value added films finding various diverse applications in fast moving consumer goods, Food & Agro, confectionery, soaps & detergents, solar panels, labelling, overwraps, embossing, etc.

*Chemicals, Technical Textiles and Packaging Films Businesses covered

**Bi-axially Oriented Polyethylene Terephthalate (BOPET) & Bi-axially Oriented Polypropylene (BOPP)
Economic Performance reported at consolidated level

KEY ESG PERFORMANCE HIGHLIGHTS



GOVERNANCE

At SRF, an effective governance framework is one of the key enablers for driving success and creating long-term value for all its stakeholders. The corporate governance structure is aligned with the Company's core values that are deeply rooted and practiced across the organization. The Board is committed towards creating an eco-system which promotes effective decision-making, accountability and financial prudence. Robust processes and systems are put in place that support and build organisational capabilities for capitalizing various opportunities across all levels. This reinforces SRF's commitment to operate with highest standards of integrity, ethics and transparency to earn and maintain the trust of its people, customers, vendors, communities and other relevant stakeholders.

The governance framework places emphasis on the adoption of best practices to ensure

that the compliances with the applicable regulations are met stringently, thus demonstrating transparent and responsible behaviour beyond legal norms. SRF encourages a culture of accountability and responsibility for all activities with the integration of sustainability into its decision-making processes. SRF's Board has a good mix of different age groups, experience and diverse backgrounds to foster better debate and decision-making. This ensures a clear distinction in the roles pertaining to the Board members and the Company's executive management. SRF has formed various committees under the Board of Directors to enhance effectiveness in managing key issues and focussing on critical areas with subject-specific expertise, ensuring objective decisions. The figure below highlights the key Board committees and the governance structure formulated at SRF:

1 Corporate Leadership Team (CLT)

CLT comprises of the Chairman, the Managing Director and the Deputy Managing Director, respective business CEO's, CFO, CIO and CHRO. The CLT provides guidance for making all the major business decisions at the Group level.

2 Business Leadership Team (BLT)

The members of the team are various heads of functions, including marketing, strategic sourcing, HR, Finance, IT, Operations and TQM.

3 Unit Leadership Team (ULT)

The ULT is led by the plant operations head. The ULT is constituted by the heads of different functions within the plant, such as, HR, Safety, Finance, Engineering, Production and Processes.

Focus on sustainability

Over the years, there has been a steady evolution in SRF's governance framework with a focus on corporate responsibility, sustainability and inclusive growth. SRF follows holistic strategic planning and execution process built on the TQM principles. SRF's Board is assisted by a management team driving business growth and compliance with governance principles.

The Corporate Leadership Team is entrusted to provide strategic direction to drive the ESG agenda of the Company. They ensure adequate capital allocation for effective implementation and continuous review of key ESG initiatives implemented by the respective businesses across the Company. The Director – Safety & Environment, represented at the Board-level, is responsible

for compliance with the laws and implementing initiatives related to safety, health and environment across all business units of SRF.

The governance framework is structured on a three-tier system. The Business CEOs drive and oversee business performance at the Group-level and present performance report to the Board on a quarterly basis. The CLT implements strategies across the organization through the Business Leadership Team and Process Owners.

Codes and Policies

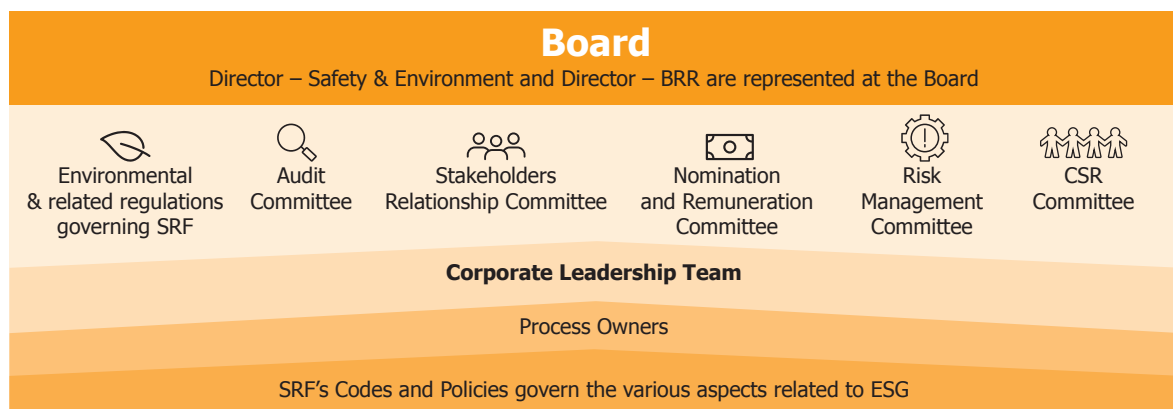
The Code of Conduct defines the Company's highest standards of professionalism to maintain trust and build sustainable and long-term relationships with its stakeholders. SRF's Code of Conduct provides a clear guidance for conducting business

transactions across all levels. The principles enumerated in the Code of Conduct must be complied upon by the Board members and senior management. All Directors/ Officers are also expected to demonstrate their behaviour in line with SRF's Code of Conduct to set the highest standards of professional and personal integrity, honesty and ethical conduct. SRF's Code of Conduct is applicable to the Group, including all its employees, including those of its subsidiaries.

 Business Responsibility Report
Principle 1

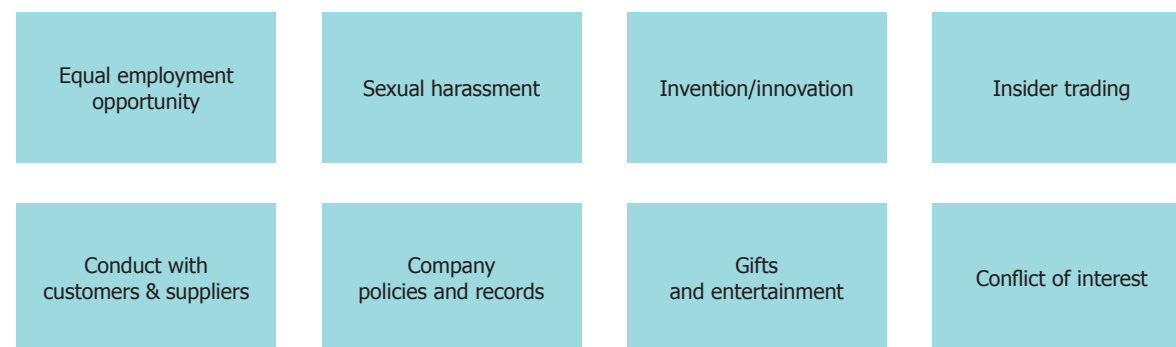
The figure below highlights the key aspects of the Code of Conduct. (For more details, please refer to the 'Code of Conduct' section, Page 140)

SRF's governance structure

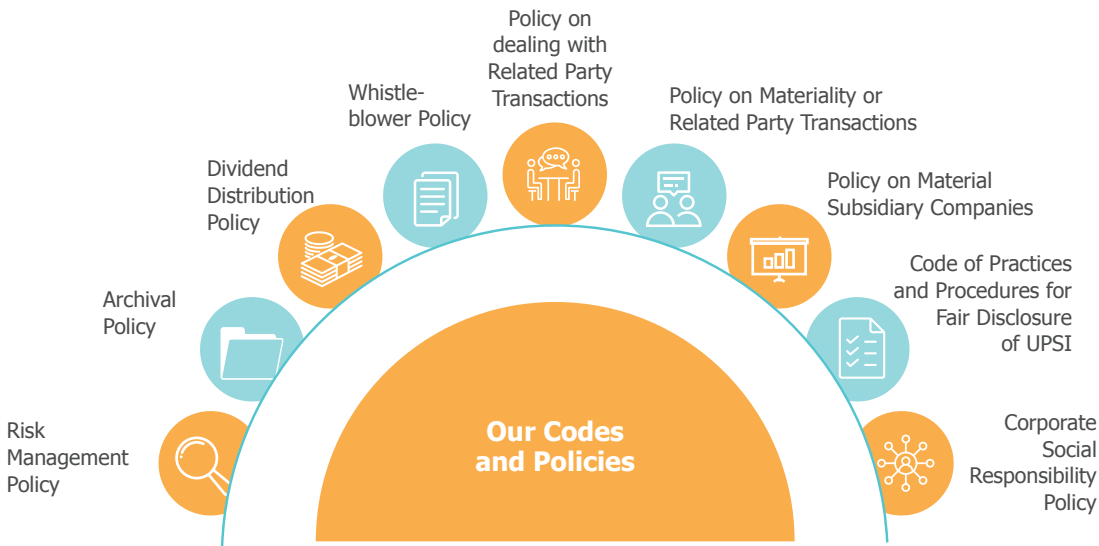


(For details on composition, responsibilities and main activities of the Board and Board Committees for FY 2020-21, please refer to the 'Statutory Committees of the Board' section, Page 141)

Key aspects of the Code of Conduct



SRF’s internal governance mechanism focusses on promoting value creation and lays significant emphasis on ensuring compliance with applicable laws and regulations. SRF has laid out the following policies to ensure effective governance:



SRF has developed a robust system to ensure compliance with its codes and policies. The Company has established a Values Steering Committee which comprises of the Deputy Managing Director and other Corporate Leadership representatives. The Committee has been entrusted with the appropriate authority to conduct fair and transparent investigations of the issues reported and recommend disciplinary and corrective action(s) based on the outcome of the investigation. To ensure the veracity of the process, an independent access is available to the whistle blower for reporting any concerns to the Chairman of the audit committee. During the year, no complaints have been received under the provisions of the Whistle-blower Policy.

 Business Responsibility Report
Principle 1

Regulatory Compliance

SRF has a defined mechanism to oversee matters related to compliance. An internally developed tool called ‘Compliance Manager’ is in place to constantly monitor and update the status related to each non-compliance. A defined escalation matrix is defined to monitor non-compliance for its businesses. SRF provides timely and comprehensible disclosures in all the reports and documents that are filed or submitted to ensure complete conformity with applicable legal norms. In the current reporting period, there were no incidents of fines levied or non-compliance with respect to environmental and social aspects.

The Company’s strict adherence to the Code of Conduct ensures that a defined governance framework is in place that enables businesses to engage with and provide value to the consumers in a responsible manner. During the reporting year, no case has been filed by any stakeholder regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

 Business Responsibility Report
Principle 9

Industry Associations

As a responsible corporate entity, SRF aims to create shared value for all its stakeholders and contribute towards industry-growth and nation building. The Company is a member of various industry and trade associations and actively participates in cross-industry forums to enable sharing of best practices, represent industry concerns and implement various reforms and measures for the betterment of the industry and society at large.

SRF continues to collaborate and work with various industry associations and forums to recommend measures and advocate initiatives that foster

advancement of the industry and larger public good.

 Business Responsibility Report
Principle 7



Industry Association

Confederation of Indian Industry	Refrigerant Gases Manufacturers Association	Indian Chemical Council	CHEMEXCIL
National Safety Council	Centre for Chemical Process Safety	The Synthetic & Rayon Textiles Export Promotion Council	Delhi Chamber of Commerce



STAKEHOLDER ENGAGEMENT

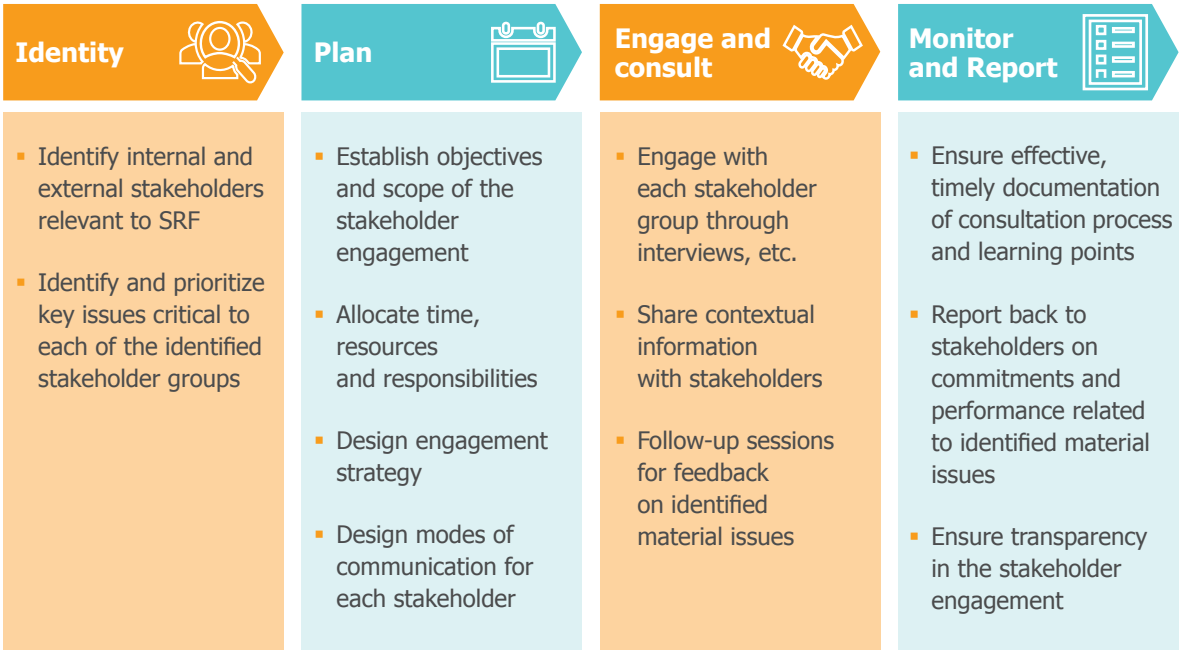
The Company’s key stakeholders include employees, investors, suppliers/vendors, regulatory bodies, customers and local communities. SRF believes that it is pivotal to continuously engage with relevant stakeholders to understand their expectations, address their concerns and disseminate pertinent information. This ensures adequate attention to stakeholder requirements and guides the

Company’s strategic plans as well as actions, thereby making them true partners in progress. It is an endeavour of the Company to engage with its internal and external stakeholders through various platforms to facilitate dialogues on an ongoing basis. Additionally, the Company has also identified disadvantaged, vulnerable and marginalized stakeholders from the local




communities. The Company has a process in place to identify key intervention areas based on need assessment survey. SRF engages with them in partnership with the Government or the local communities through various Corporate Social Responsibility (CSR) activities.




 Business Responsibility Report
Principle 4

The table below highlights the Stakeholder Engagement Process



The stakeholder engagement exercise is described in the table below. It enunciates the stakeholder expectations, modes of communication and the key responsible groups that engage with the relevant stakeholder group.

Stakeholder group	Key expectations	Modes of communication	Key responsible groups
 Shareholders, Investors	<ul style="list-style-type: none"> Business plans, growth feasibility and stability Better quarterly reports/ performance ratios Corporate reputation Transparent reporting Prudent capital allocation Corporate governance and risk management High Dividend pay-out 	<ul style="list-style-type: none"> Company website Quarterly publication of results followed by earning call Periodic Analysts’ briefing and individual discussions between fund managers and the management team 	<ul style="list-style-type: none"> Managing Director (MD), Chief Financial Officer (CFO) and Investor Relations
 Customers	<ul style="list-style-type: none"> Reputed brand, high quality and reliable products Product innovation and environmentally sustainable products Timely market / product updates Honour contractual terms and price Timely resolution of customer complaints Ethical Practices Maintain confidentiality of customer data 	<ul style="list-style-type: none"> Customer visits / audit and meetings Customer recognition/ awards programmes Customer satisfaction surveys Joint development & product reengineering 	<ul style="list-style-type: none"> Marketing Technical services Customer Relationship Management
 Suppliers	<ul style="list-style-type: none"> Fair and transparent dealing Consistent business and economic growth Joint exploration of potential opportunities Maintain confidentiality of supplier data 	<ul style="list-style-type: none"> Supplier evaluation programme Periodic meetings Visits to supplier’s facilities 	<ul style="list-style-type: none"> Sourcing

Stakeholder group	Key expectations	Modes of communication	Key responsible groups
 <p>Employees</p>	<ul style="list-style-type: none"> Favourable work culture Safe and healthy work environment Adherence to SRF's values Fair and equal compensation Learning and development opportunities Fair, transparent, and regular rewards and recognition Regular and constructive performance management and feedback Career development opportunities Appropriate grievance redressal mechanisms Job security 	<ul style="list-style-type: none"> Structured and focussed training programmes IT enablement & digitization Employee oriented work policies Adequate grievance mechanism for reporting and redressal Fair and transparent performance management systems and 360-degree feedback process Periodic open house meetings with senior leadership teams Regular employee engagement and feedback surveys 	<ul style="list-style-type: none"> Human Resources
 <p>Local Communities</p>	<ul style="list-style-type: none"> Local employment Skill development and education Local infrastructure development Conservation of natural environment Ensuring health and safety of nearby community 	<ul style="list-style-type: none"> Social impact assessment Joint development and partnership with local agencies, network partners for servicing wider set of local communities Local Infrastructure development, structured learning by digital classrooms training, providing scholarships, and other necessary support 	<ul style="list-style-type: none"> SRF Foundation (Corporate Social Responsibility arm of SRF) Plant-level CSR
 <p>Regulatory bodies</p>	<ul style="list-style-type: none"> Compliance with applicable laws and regulations Participation and contribution to various initiatives 	<ul style="list-style-type: none"> Adherence to reporting requirements Industry representation on key matters 	<ul style="list-style-type: none"> Senior Management and relevant functions

MATERIALITY ASSESSMENT

SRF has adopted a systematic approach to identify the key material issues critical to the Company and its stakeholders.

In the current reporting period, an extensive materiality assessment exercise has been conducted to identify and analyse key material issues that may potentially impact value creation for its stakeholders and businesses of the Company. It forms the basis for SRF to define its key ESG focus areas and drive action thereon.

SRF followed an inclusive approach to assess the key material aspects relevant to its business and stakeholders. Material issues were identified across the three business verticals, namely Chemicals, Technical Textiles and Packaging Films Businesses. SASB and MSCI frameworks were considered to

identify sector-specific material issues across each business. After the identification of sector-specific material issues using globally recognized frameworks, industry specific material issues were mapped for each business vertical and a benchmarking exercise of material issues was conducted, and a consolidated list of key material issues for SRF was prepared. Deliberation with internal stakeholders representing the three businesses was conducted to finalise the material aspects for the Company. SRF endeavours to ensure integration of the identified key material aspects in business decisions and drive improvements in the identified areas in the future. Material aspects have been grouped under the three key pillars - **Environment, Social and Governance**.

Business verticals


Chemicals | Technical Textiles | Packaging Films

Identification of sector-specific material issues aligned with SASB and MSCI frameworks

Identification of material issues of the industry across each business vertical

Business-wise consultations

Finalisation of material aspects of SRF

	Environment		
	Energy Management	Water and Effluents	GHG and Air Emissions
	Waste Management		Material
	Social		
	Employment	Occupational Health & Safety	Local Communities
	Governance		
	Economic Performance	Corporate Governance	Risk Management
	Total Quality Management		

RISK MANAGEMENT

SRF has a robust risk management framework, integrated with the company strategy and planning, for identifying and managing existing and emerging business risks. The Company has established a well-defined **Enterprise Risk Management System** which encompasses identification, assessment, monitoring and mitigation of risks to achieve business objectives by implementing vigorous internal control system and response strategy well in advance. The Board has laid down a **Risk Management Policy** and has also established a dedicated **Risk Management Committee**, governed by the Board of Directors, to make persistent efforts for identifying various types of risks, laying mitigation measures and defining future action plan. The Board of Directors, with the assistance of the Risk Management Committee, monitors and reviews the risks

and mitigation strategies defined by the relevant stakeholders. The Committee also assists the Board in framing, implementing, monitoring and reviewing the Risk Management Policy and assists the Audit Committee in evaluating the effectiveness of the Risk Management System. The committee is equipped to identify, assess and manage traditional as well as emerging business risks, thereby protecting stakeholder interests, achieving business objectives and enabling sustainable growth.

Each business vertical, through the Business Leadership Team and risk owners, is responsible for tracking and monitoring the key risks relevant to each business and implements appropriate mitigation plans on a periodic basis. It also ensures that the identified risks are classified and prioritized into high, medium and low as per risk management framework. The key

risks and mitigation plans are reported to the Corporate Leadership Team for review and further reviewed by the Risk Management Committee.

SRF has identified **Strategic, Regulatory, Operational, Financial, and IT and cyber-security risks** relevant to its business. ESG risks are mapped under the appropriate categories of risks. Some of the measures to mitigate these risks, include energy optimisation, reduction of GHG emissions, optimum resource utilisation, minimizing the usage of virgin materials, safety culture, employee development and growth, etc. The figure below gives details on the identified risks and mitigation strategies adopted by SRF.

 Business Responsibility Report
Principle 6



Key risks identified at SRF	Mitigation strategies
 Financial Risks	<ul style="list-style-type: none"> Detailed policy guidelines to deal with key financial risks. Robust processes & systems for ensuring timely reporting and compliance with applicable regulatory framework.
 Regulatory Risks	<ul style="list-style-type: none"> Continuous monitoring of the changing regulations, impact assessment, implementation of statutory compliance, internal audit and external legal review (including ESG). Liasoning with regulatory bodies and industry associations to bring systemic changes for the benefit of industries.
 Operational Risks	<ul style="list-style-type: none"> Implementation of safety and quality management systems, TQM-driven processes to eliminate operational risks and contribute to the Company's strategy for sustained operational success. Adoption and deployment of resource efficiency initiatives (across energy, water, etc.) Development and retention of a skilled workforce that contributes to organisational goals by offering opportunities for learning and development, and career growth.
 IT and cyber-security Risks	<ul style="list-style-type: none"> Implementation of new perimeter security mechanisms such as dual firewalls, internet content filtering, etc. Implementation of mobile device management for users with critical data leak risk. Ensuring adequate update and maintenance of servers and network devices for added security and data protection.
 Strategic Risks	<ul style="list-style-type: none"> Long-term strategic planning and regular management reviews with business teams, Audit Committees and Board meetings. Strategic sourcing initiative ensuring uninterrupted supply of raw materials.

STRATEGY

Considering the volatile and dynamic external environment, and emerging business risks, SRF has defined key priorities to ensure uninterrupted growth and business sustainability. SRF's strategic direction towards carving a sustainable business future is built on its 'Core Values' and 'Aspirations 2025'. These together form the guiding force that drives business performance and strengthens market position, while addressing the material aspects pivotal to the Company for enhancing stakeholder value.

The 'Aspirations 2025' are supported by the overarching Core Values **"RINEW" - Respect, Integrity, Non-Discrimination, Excellence and Well-being**. The values are instrumental in achieving the key pillars of the aspirations, including operational excellence, customer advocacy, pushing boundaries of innovation, and nurturing talent that enhance the Company's reputation and brand value. The details of the key pillars of the 'Aspiration 2025' are elaborated below:

Operational excellence: Creating new and differentiated offerings that deliver superior customer value through innovations and improvements in quality, cost, efficiency or environmental benefits, supported by digital technologies for efficiency and reliability. In addition, nurturing a capable workforce that continues to develop new solutions and provide

advanced technical support. Implementation of various facets of the Total Quality Management (TQM) way to create new benchmarks across multiple dimensions of Quality, Cost, Delivery, Safety, Health & Environment and Morale (QCDSM).

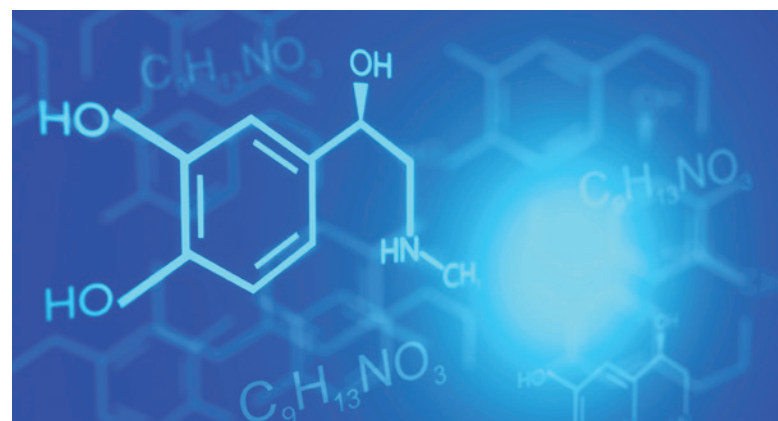
Professional reputation and value system: In line with the core values, SRF strives to attract, retain and nurture talent that demonstrate high levels of ethics and integrity while delivering high quality products to its customers, thereby enhancing the brand value and reputation of the Company.

Customer advocacy: Building a customer-focussed, agile and lean organisation, becoming a trusted, long-term partner of choice with the customers through innovative offerings and strong customer relationships.

Innovation and Technology Leadership: The Company constantly focuses on developing and investing in new technologies and developing new-age products





to lead the way in serving the emerging needs of customers and deliver value over the long run.

SRF is currently in the process of developing a structured ESG strategy encompassing defined targets and action plan to demonstrate progress on a year-on year basis. However, the Company's strategic approach coupled with an agile outlook that ensures the ESG parameters are built into its decision making, which further helps in achieving performance improvements across the identified material aspects critical to the Company and stakeholders. SRF's focus on adequate allocation of resources to effectively implement systems and initiatives is helping in creating sustainable value on an ongoing basis. The Company will continue to focus on the key strategic areas that have contributed in driving improvements across the ESG material aspects.



The details of the ESG strategic focus areas are highlighted in the figure below:

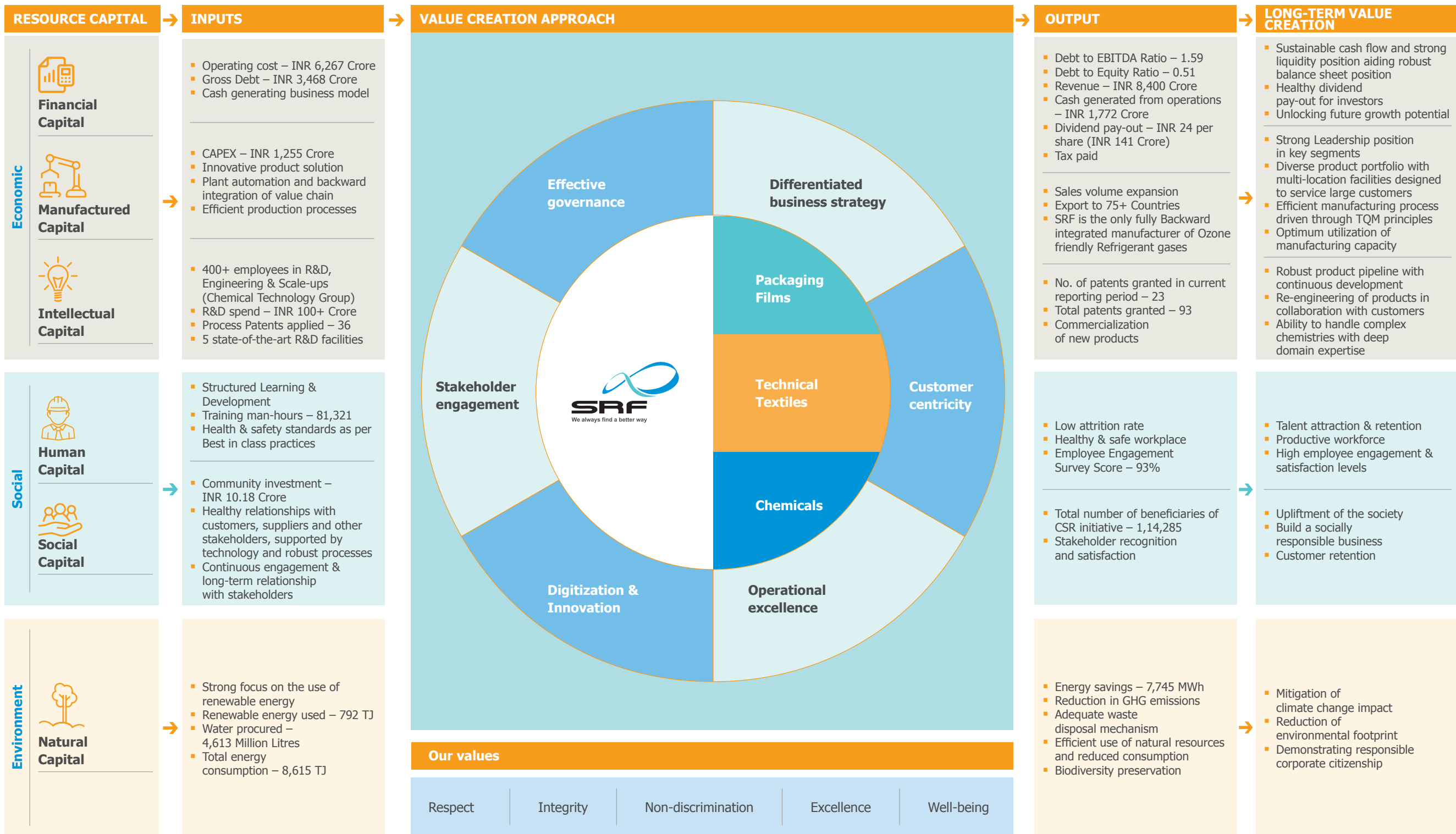


Risks	Material aspects	Strategic focus areas	Progress in FY 2020-21	Aspirations 2025
Operational	Energy management GHG and air emissions Water and effluents Waste management Material Total Quality management	<ul style="list-style-type: none"> Focus on implementing cutting-edge technology. Transition to cleaner energy sources to mitigate carbon emissions Drive efforts towards reducing water consumption with water-efficient technologies, recycling and reusing wastewater and sequestering rainwater to the maximum extent possible Emphasis on the principle of 3R – Reduce, Reuse and Recycle and strive to operate in a 'closed-loop' through circularity in operations Continuous efforts on local sourcing of raw materials and increasing the use of recycled materials in production Implementation of Total Quality Management (TQM) for meeting evolving customer aspirations and shifting market dynamics by bringing systemic changes to maximize plant efficiency and deliver diverse solutions 	<ul style="list-style-type: none"> Implemented energy efficiency initiatives, leading to energy savings of: ~7,745 MWh 792 TJ of energy consumed from renewables and biomass 675 Million Litres of water consumption met through recycled wastewater TTB Manali and PFB Indore (SEZ) Plants have installed rainwater harvesting systems to sequester rainwater Supplying fly ash waste generated onsite for utilisation as raw material in cement industries Promote usage of recycled materials as raw materials in production processes TQM led supply chain improvements, enhancement of internal process efficiency and building a skilled workforce, resulting in over INR 40 Crores of annual savings 	 <p>Operational Excellence</p>
Financial				
IT & Cyber-security	Employment Occupational health and safety Local communities	<ul style="list-style-type: none"> Concentrated efforts on creating a favourable environment for employees to nurture and grow through structured learning and development, career advancement, and rewards and recognition programme to keep employees motivated and engaged Build a workplace that thrives on diversity and inclusion, and supports human rights Endeavor to create a safe and secure work environment by embedding health and safety in the company culture and implementing robust systems to ensure well-being of each employee Relentless efforts to empower local communities through community initiatives focusing on vocational skills, education, natural resource management, among others 	<ul style="list-style-type: none"> 81,321 training manhours Increase in female workforce across the management levels by more than 7% compared to FY 2019-20 More than 90% employee engagement score Reduction in first-aid cases of employees compared to FY 2019-20: 53 18,739 manhours of EHS training imparted to permanent employees 1,14,285 beneficiaries of CSR initiatives in local communities 	 <p>Professional Reputation and Value System</p>
Strategic	Economic performance	<ul style="list-style-type: none"> Emphasis on expanding product portfolio and market presence Identifying evolving customer expectations and capitalizing new opportunities Implement differentiated business strategies, prudent capital allocation, optimum utilization of natural resources to lower operating costs, automate processes and strengthen business processes that aid in building a sustainable business model Deliver long-term sustainable returns to shareholders by increasing market capitalization and higher dividend pay-out 	<ul style="list-style-type: none"> Developed innovative products that are socially and environmentally responsible and have zero ozone depleting substances, low global warming potential (GWP), recyclability and low carbon footprint 23 patents granted INR 8,400 Cr. revenue Dividend pay-out- INR 141 Cr. (INR 24 per share) 	 <p>Customer Advocacy</p>
Regulatory	Corporate Governance Risk management	<ul style="list-style-type: none"> Focus on creating an eco-system which promotes effective decision-making, accountability and financial prudence Encourages an ethics-driven culture of accountability and responsibility for all activities with the integration of sustainability into its decision-making processes to create value Constant identification, assessment, monitoring and mitigation of risks to achieve business objectives Focus on robust internal control system and proactive response strategy towards identified risks 	<ul style="list-style-type: none"> Zero incidents of fines levied or non-compliance with respect to environmental and social aspects Continued to collaborate with industry associations to benefit the industry and society at large Continued to identify and manage existing as well as emerging risks through the robust risk management framework, integrated with the Company strategy and planning 	 <p>Innovation and Technology Leadership</p>

For details on progress, please refer to the capitals section.

VALUE CREATION MODEL

The value creation model provides insights into how SRF utilizes business inputs and leverages its business strategy to create long-term value for all its stakeholders, environment and society at large.



THE SIX “CAPITALS”

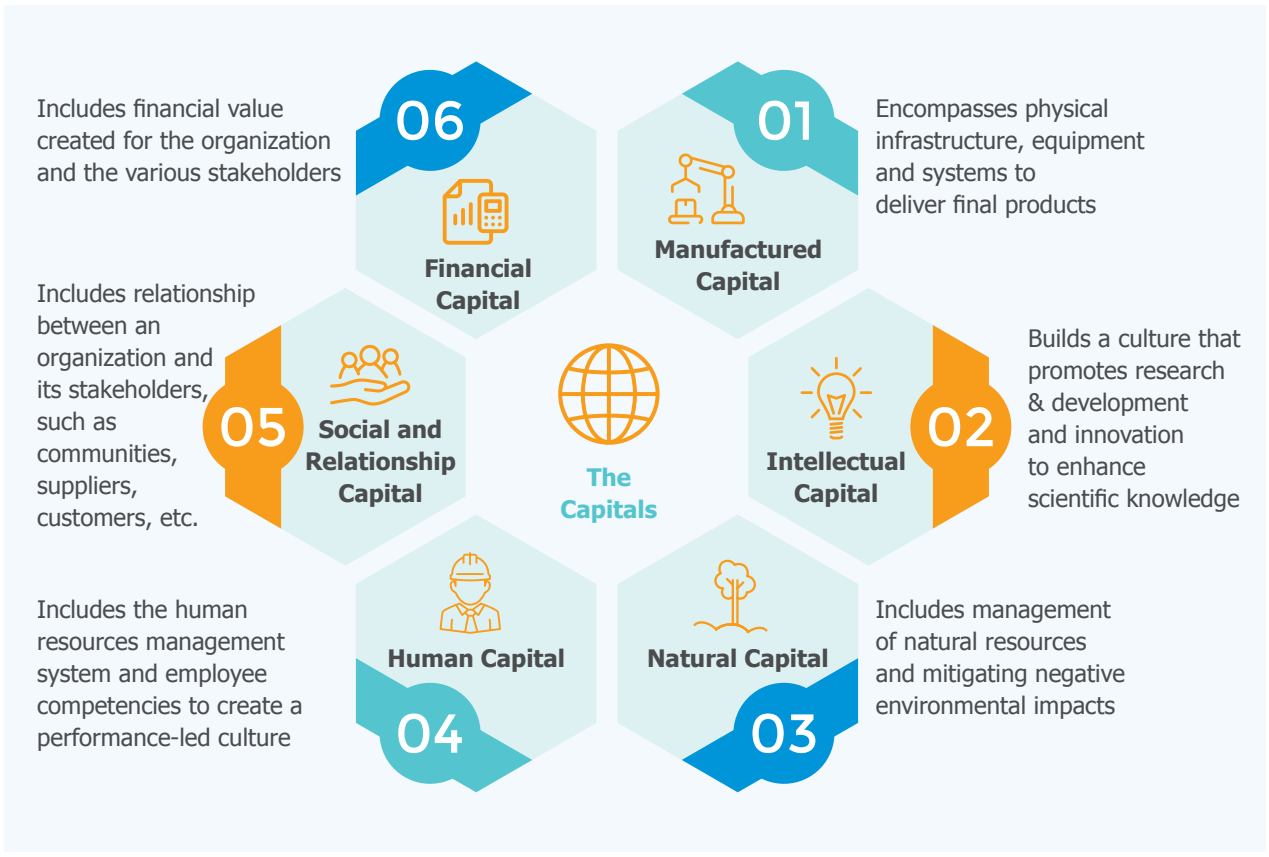
SRF aims to create long-term value for its stakeholders through differentiated business strategy, resource allocation, robust business processes, identifying opportunities and mitigating risks, and undertaking key initiatives to enhance performance.

SRF has made an extension from the traditional form of disclosure

to include a wider range of factors which have a significant impact on the Company’s performance while creating value over the short, medium and long-term. The idea is to foster a sustainable change by promoting an integrated approach towards corporate reporting, and reflect the Company’s philosophy, business strategies, initiatives and strengths

towards financial and non-financial value creation.

SRF has reported its performance across identified key material aspects in the following six capitals: **Manufactured, Intellectual, Human, Natural, Social and Relationship** and **Financial**.



MANUFACTURED CAPITAL

DELIVERING HIGH-QUALITY PRODUCTS WHILE ACHIEVING OPERATIONAL EXCELLENCE



Key highlights

INR 1,255 CR.
CAPEX

11
MANUFACTURING FACILITIES IN INDIA
(3 OVERSEAS MANUFACTURING FACILITIES)

75+
EXPORTS TO COUNTRIES

SRF operates businesses across 11 manufacturing plants in India, encompassing the Chemicals, Technical Textiles and Packaging Films Businesses which serve several key industries globally. The Company is a market leader in most of its business segments across India and commands a significant presence globally with exports to more than 75 countries.

The Company has focussed its efforts towards operating optimally while delivering high-quality products for long-term value creation. SRF relies on state-of-the-art plant facilities, stringent quality control processes coupled with a strong distribution network and efficient supply chain model that enables delivery of products in a safe and efficient manner. The Company has rigorous maintenance processes to enhance life of its assets to achieve the highest level of operational efficiency, enabling businesses to be recognised as preferred and credible partners. The Company has established a strong presence across the value chain through backward integration, ensuring uninterrupted business operations and consistent deliveries in a cost-effective manner. Despite the unprecedented challenges due to the COVID-19 pandemic, SRF's motivated manpower and resilient business processes enabled continued manufacturing operations and delivery of high-quality products to its customers in a safe and time-bound manner. SRF's efficient manufacturing processes are driven by TQM principles and digital interventions



which ensure optimum utilization of manufacturing capacity.

The section below highlights the key raw material consumed across business segments to manufacture products and the critical role of TQM system and processes in delivering quality products in a cost-effective, and socially and environmentally responsible manner.

Raw Materials

SRF is aware of the criticality of raw materials availability for serving its customers. Being cognisant of the perils of over utilisation of limited resources, SRF is committed to sustainable sourcing, optimum utilisation of natural resources and use of recycled material for manufacturing products.

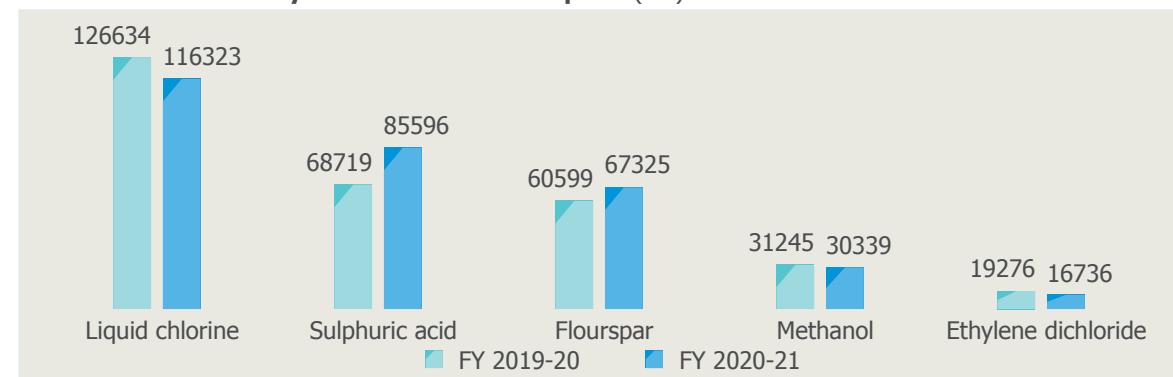
(For details on optimum utilisation of natural resources, please refer to the 'Natural Capital' section, Page 44)

SRF constantly strives to source raw materials sustainably through a strong network of suppliers. For the procurement of raw materials, the Company works in collaboration with producers or suppliers to create shared value. The idea is also to gradually expand focus on locally sourced materials to uplift local producers, establish efficient supply chain and, at the same time, mitigate the impacts on the environment across the value chain. The PFB – Indore (SEZ) Plant is certified as per the Understanding the Responsible Sourcing Audit (URSA).

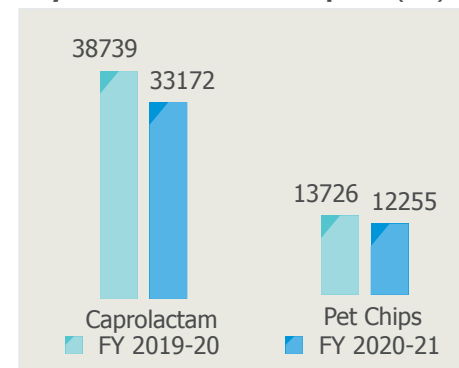
(For details on local procurement and supply chain practices, please refer to the 'Social & Relationship Capital', Page 56)

The detailed break-up of the major raw materials by consumption across the three businesses of SRF in the last two years is highlighted in the graphs below:

Chemical Business: Key raw material consumption (MT)



Technical Textiles Business: Key raw material consumption (MT)



Packaging Films Business: Key raw material consumption (MT)

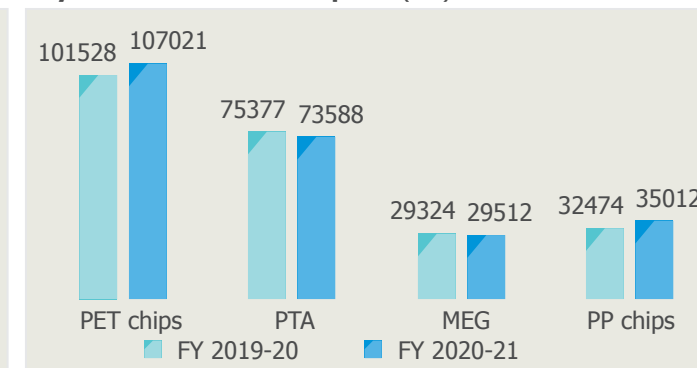


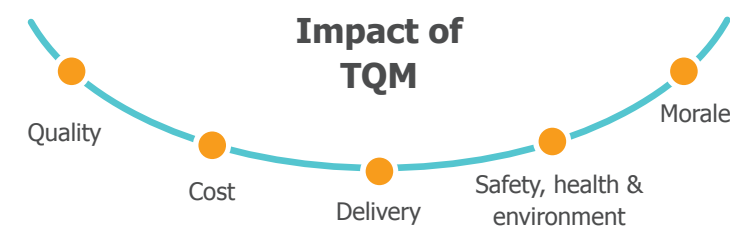
Figure 5: Key input raw materials consumed at SRF across businesses

SRF is striving towards maximizing the share of recycled input materials in its manufacturing processes. The Company plans to put concentrated efforts to increase this share and drive its ambition towards manufacturing products in a sustainable manner.

Business Responsibility Report
Principle 2

Total Quality Management (TQM)

SRF has adopted TQM as its "management way" since the early 1990s, winning the coveted Deming Prize in two businesses. The TQM way encompasses organisation-wide activities from



strategy deployment down to implementation across levels and embedding a culture of 'continual improvement' in all areas. SRF has the strength and flexibility to adapt to evolving customer aspirations and shifting market dynamics to deliver unique and sustainable solutions.

The TQM way focuses on the triad of customer, people

and processes to create lasting outcomes in all areas. The principles result in designing customer-focused and efficient business processes that span the full product lifecycle from product planning and R&D, through the development stages, setting up of new facilities, raw material procurement, manufacturing operations and delivery of finished products.

With customer-centricity at the core, the system establishes systemic improvements to raise organizational competence to address future challenges. The TQM umbrella encompasses principles, methodologies, management systems and tools to achieve the twin aims of creating value for customers as well as improving internal management capabilities for tomorrow.

SRF's manufacturing plants are accredited to various international standards, viz., ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards. In addition, business-specific certifications include ISO 50001:2018 for PFB – Indore (SEZ) Plant, ISO 22000:2005 for PFB – Indore (SEZ) and PFB – Kashipur Plants, and HALAL India certifications for PFB – Indore (SEZ) Plant, Social Accountability SA 8000:2014 for Chemicals Business and PFB - Indore (SEZ) and PFB – Kashipur Plants, BRCGS for PFB – Indore (DTA) Plant, NABL accreditation for Chemicals Business and "Responsible Care" certification from the Indian Chemical Council. Furthermore, the PFB – Indore (SEZ) and the PFB – Indore (DTA) plants comply to Standards Organization of Nigeria Conformity Assessment Programme (SONCAP) as per the ISO 15988:2003 and ISO 17555:2003 standards respectively. The Dahej Plant of Chemicals Business and all the plants of Packaging Films Business are certified as per the OSHAS 18001:2007 Standard.

In addition, one of SRF's products, which is a key



ingredient in the pharmaceutical industry, is compliant with the Current Good Manufacturing Practices (CGMP) regulations. SRF's manufacturing facilities have over the years, also been bestowed with prestigious awards and recognition from various stakeholders, viz., customers, suppliers and accreditation agencies.

With strong commitment towards the various aspects of ESG, SRF has been awarded a number of recognitions during the reporting year. These include ICC Award for Excellence in Management of Health & Safety to SRF Bhiwadi, 9th India CSR Award – 'Best STEM Education Project Through Partnership (Large Impact)', 7th Enabling North-east Awards as Finalist by the North-East Development Foundation & Digital Empowerment Foundation, CII - EHS Excellence Award for FY 2020-21 and the Occupational Health & Safety Award to TTBT

by the National Safety Council. At the core of the TQM practices is the Problem-Solving Program (PSP) which continues to build strong capabilities across the Company to solve challenging problems. PSP focuses on enhancing the analytical skills of employees.

During FY 2020-21, the TQM function created a definitive shift towards embracing digitalisation initiatives, making relevant content available online to employees, using hybrid models of training and guidance on projects, and utilising advanced analytics in solving complex problems. SRF plans to continue these strategic directional changes in the future to enable its pursuit of becoming an even more customer-focused and agile organisation, with a strong foundation built on operational excellence.

INTELLECTUAL CAPITAL

BUILDING A CULTURE OF INNOVATION THROUGH R&D AND COLLABORATION



Key highlights

400+
EMPLOYEES IN THE CHEMICALS
TECHNOLOGY GROUP (CTG)

100+
MOLECULES DEVELOPED

36
PATENTS FILED

INR 100+ CR.
R&D SPEND

SRF drives business growth by integrating Research and Development (R&D) capabilities with its core business strategy to attain a competitive edge in the market. R&D is integral to the businesses as the Company focuses on developing customized and differentiated process technologies. The Company’s R&D investments and programs are directed towards meeting market demand and customer needs and help in delivering exceptional performance. Continuous development and re-engineering of products in collaboration with customers helps the Company to handle complex chemistries. The Company focuses on continuous improvement in current processes and developing innovative skill sets for new products and process development to enable faster growth and sustainability. This is coupled with advancements in digitalisation and automation to deliver greater value to all stakeholders on a continuous basis.

Dedicated R&D facility to enable Innovation

SRF’s Aspirations 2025 focuses on being an innovation driven Company, with R&D capabilities at the forefront for developing new technologies. To accomplish this, SRF has committed substantial effort, funds and other resources towards R&D activities and have set up five dedicated R&D centres located across Tamil Nadu, Rajasthan, Haryana and Madhya Pradesh.

The Company’s R&D facilities, engineering labs and pilot plant facilities are key to the

Company’s growth. A qualified in-house R&D team focuses on developing new technologies that are used in manufacturing new chemicals and intermediates for agricultural and pharmaceutical customers, as well as variants of packaging films and technical textile products for different applications. The Company’s world-class product development centres are equipped with cutting-edge in-process and product testing facilities and technologies for analysis and product development. SRF engages and collaborates with premier research institutes, customers for joint process/product development for accelerating innovation which further enables SRF to augment product stewardship and enhance customer experience.




A dedicated Chemicals Technology Group (CTG) comprising of more than 400 highly motivated researchers are involved in technology development, scaling up and commercialisation of new manufacturing facilities for the Chemicals Business. R&D capabilities are focused on continuous process improvement and developing efficient processes by exploring new chemistries and scaling them up for successful commercialisation. SRF also incorporates social and environment risks and concerns such as effective handling of by-product streams during process development and product manufacturing. The Company has been focusing on developing environmentally sustainable products with lower global warming potential (GWP), lower ODS potential, lower

carbon footprint and sustainable hydrofluorocarbon (HFC) blends. SRF is the first Indian company to obtain the ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) certification for R-467A, a low GWP refrigerant blend for stationary air-conditioning application by in-house patented technology.

The R&D facility for Technical Textile Business includes pilot facilities for polymerization, spinning, twisting and dipping, enabling ideation and development of new products, and also raising internal technical capabilities for current products.

The R&D center for packaging business at Indore is fully equipped with a pilot polymerization plant, pilot printing, lamination and coating machine and other high-end analytical and testing equipment to simulate customer processes on a pilot scale, offering a key advantage to reduce concept-to-market cycle times. It has technology-driven credentials, globally harmonized quality systems and in-house resin manufacturing facilities, allowing upstream modifications and continuous improvements. Various new solutions have been developed in the areas of printability, enhanced performance, metallized and see-through barriers, aesthetics and industrial functionalities. Details of the R&D and innovation centers at SRF are listed in the Table 1.

Table 1: R&D and innovation centres

	Chemicals Business
Alwar, Rajasthan	
Chennai, Tamil Nadu	
	Technical Textiles Business
Chennai, Tamil Nadu	
	Chemicals Technology Group (CTG)
Gurugram, Haryana	
	Packaging Films Business
Indore (SEZ), Dhar, Madhya Pradesh	
Over a period of time, SRF has made capital investments of more than INR 200 Crores towards establishing R&D facilities, with an annual expenditure of nearly INR 100 Crores. During the same period, the Company	




filed 36 patents, taking the cumulative total to 309. Out of this, 23 patents were granted this year. As on 31st March 2021, the Company has a total of 93 patents rights for its in-house products.

Advancing automation and digitalisation

SRF has embarked upon a digital transformation journey by leveraging new and innovative technologies aligned with the evolving business needs. The Company has been relentlessly working towards strategically investing in digital solutions and accelerating smooth digital transition. In the times of the ongoing COVID-19 pandemic, the various digital interventions undertaken by SRF have significantly enhanced resilience and helped in developing a digitally empowered and agile workforce to deliver to its customers in an uninterrupted manner.

SRF has an integrated ERP platform for the integration of key applications for achieving high efficiency levels. The idea is to enhance operating effectiveness, while delivering greater value to the stakeholders, environment and society. In FY 2020-21, the Company undertook several initiatives that augmented automation of various processes. For instance, SRF undertook the replacement of paper with digital processes enabled with cloud drives to store digital documents, thereby reducing environmental footprint. Industrial Internet of Things (IIoT) has been implemented to improve product quality, as well as to reduce power consumption.

In its endeavor to leverage technology, SRF has developed and implemented the following modules for some of the business segments.

	Customer Portal: To digitize the flow of information and transactions with customers
	Requisition Entry by Customers: The entry flows to SRF’s Oracle Order Management system as sales orders
	Self-service features: Features like periodic balance confirmation, document downloads (Invoices, COA), returnable management, and ad-hoc queries like payments, orders, pending dispatches etc.
	Customer chatbot: To provide information on the products of the Company, enhance customer experience and facilitate the process of customer enquiry
	SOUL: E-learning solution launched for employee training and development
	ATS: Complete automation of the entire recruitment process

With the onset of the COVID-19 pandemic and the subsequent measures imposed to limit physical interaction, SRF worked on accelerating the digital footprint across geographies and business processes, which enabled improvement in business efficiencies as well as helped reduce the carbon footprint. For instance, SRF has launched the Business Process Management (BPM) platform to convert manual processes into digital workflows, automated data analytics and exception reporting, thus enabling faster decision making.

NATURAL CAPITAL

OPTIMISING THE USE OF NATURAL RESOURCES
FOR A SUSTAINABLE FUTURE



The Company is driving concentrated efforts towards optimum utilization of natural resources by investing in various resource efficiency initiatives. As a responsible organization, SRF aims to strike a balance between progressive industrial growth and conservation of natural resources. SRF adheres to all applicable environmental norms and strives to perform

beyond the legal mandate by deploying stringent environmental management practices. The Safety, Health & Environment Policy extending across businesses and Group, reinforces the commitment of the Company towards environment protection.

 Business Responsibility Report
Principle 6

SRF has implemented the ISO 14001:2015 Environmental Management System Standard across its Chemicals and Packaging Films Businesses. Under the aegis of this standard, SRF conducts aspect-impact assessment and Environmental Impact Assessments for both new projects or expansions, using third-party specialized services in the relevant field.

Key highlights


7,745 MWH
TOTAL ENERGY SAVINGS

792 TJ
ENERGY CONSUMED FROM
RENEWABLES AND BIOMASS

675 MN LTRS
RECYCLED WASTEWATER CONSUMED

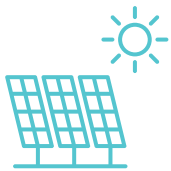
3 MN LTRS
RAINWATER HARVESTED AND REUSED

Key strategic focus areas for climate change mitigation and environment protection

 <p>Energy efficiency & carbon emission mitigation</p>	 <p>Increasing the share of renewable energy</p>	 <p>Water conservation</p>	 <p>Effective waste management practices</p>	 <p>Commitment to biodiversity</p>
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Energy Management

Being an energy-intensive industry, SRF constantly strives to optimize energy consumption across its operations and reduce the associated carbon footprint to fight climate change. As part of SRF's strategy towards energy management, high importance is placed on the implementation of energy management systems and processes, efficient utilization of energy, deployment of innovative and state-of-the-art solutions to reduce demand and increase the share of renewable energy sources in the Company's energy mix.


792 TJ
ENERGY CONSUMED FROM
RENEWABLE SOURCES AND
BIOMASS IN FY 2020-21

During the current reporting period, the total energy consumption at SRF was 8,615 TJ, of which 7,067 TJ was direct energy and 1,548 TJ was indirect energy. About 522 TJ of energy was consumed onsite utilizing rice husk, groundnut shell and mustard husk as fuels in the biomass boilers.

In FY 2020-21, energy consumption from renewable sources was 270 TJ, of which 124 TJ was from purchased green electricity. Currently, the total plant capacity from renewable energy sources is 18.95 MW, which includes an onsite solar power plant with an installed

capacity of 5 MW and an offsite wind power plant with an installed capacity of 13.95 MW.

The Company continues to take up various energy efficiency initiatives by implementing new and innovative technologies and focusing on increasing the share of renewable energy sources. The Company's endeavor is to replicate these best practices across all sites. (For the key initiatives, please refer to the 'Director's Report' section)

 Business Responsibility Report
Principle 6

Emissions

By implementing various energy efficiency measures, coupled with the use of renewable energy, SRF is constantly driving efforts to reduce its carbon footprint. SRF's Fluorochemicals Business is the first chemical company in India to obtain the ISO 14064-1:2006 certification for the verification of GHG emissions. In the past, SRF also implemented an approved CDM project for incarceration of HFC-23. The project helped in reducing emissions in the range of 3 to 4 Million tCO₂e.

SRF has implemented real-time air emissions monitoring system to ensure that emissions from the manufacturing processes are minimized. Necessary checks are in place to keep the air emission levels well below the permissible limits defined by the State Pollution Control Boards. During the reporting year, there has been no instance of show cause or legal notices received from the Central Pollution Control

Board or the respective State Pollution Control Boards.

 Business Responsibility Report
Principle 6

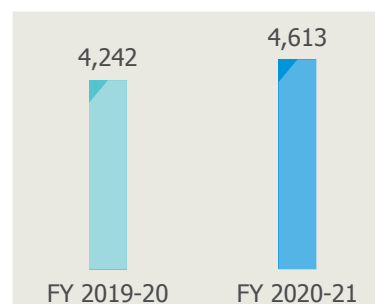
Water Management

At SRF, water is recognized as a critical resource for business continuity across the entire value chain. SRF is making concentrated efforts to ensure efficient water management to reduce dependency on freshwater and ensure optimum utilization. The Company's strategic focus areas towards effective water management

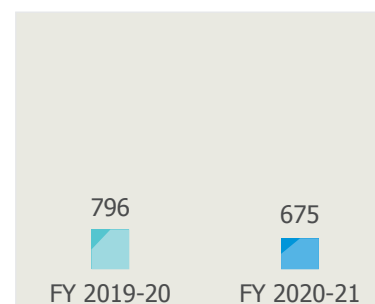
includes reducing water consumption with water-efficient technologies, recycling and reusing treated wastewater in operations, and enhance rainwater harvesting initiatives.

In FY 2020-21, about 4,613 million Litres of water was procured from various sources including state municipal corporation, third-party water, etc. Additionally, 675 million Litres of total water consumption was met through recycled wastewater. The graphs below depict the water procured and the recycled wastewater reused within the plants across SRF:

Water procured
(Million Litres)



Wastewater recycled
(Million Litres)



Reduction in freshwater consumption by utilization of ETP treated water at Dahej Plant

Results

In FY 2019-20, freshwater intake reduced by 16,500 KL/month

In FY 2020-21, freshwater intake reduced by 25,000 KL/month

SRF Indore (DTA) unit of Packaging Films, Manali, Gwalior & Viralmalai Plants of Technical Textiles and Bhiwadi Plant of Chemical Business are zero liquid discharge facilities. This means 100% of treated wastewater is reused within the facility, ensuring no discharge to the external environment. Recycle water is used in manufacturing process, gardening, flushing or cleaning purposes within the plants. Treated wastewater quality parameters for all wastewater treatment plants are monitored and maintained as per the legal norms.

There has been a continued focus on rainwater harvesting for groundwater recharge as well as utilization within the Plants. As on date, PFB - Indore (SEZ) and TTBM Plants have installed

rainwater harvesting systems. The harvested rainwater is utilized within the plant premises for cooling and manufacturing processes, respectively, thereby reducing dependency on freshwater.

Additionally, with an endeavor to increase groundwater table, CB – Bhiwadi Plant has constructed earthen dams in neighboring villages for the benefit of the local communities. (For details, please refer to the case study titled, 'Natural Resource Management (NRM) Project' under the Social and Relationship Capital). PFB – Kashipur Plant has also installed rainwater harvesting system for groundwater recharge. In the coming years, SRF aims to expand rainwater harvesting across all its facilities

to reduce dependency on freshwater sources.

Waste Management

Tackling the challenge of waste management requires a circular economy approach, including reduction in waste generation and exploring opportunities to recycle and reuse waste. SRF focuses on reuse of large part of process waste back into production to reduce the use of virgin raw materials.

(For details, please refer to the 'Manufactured Capital' section, Page 37).

To efficiently manage waste, SRF diligently follows the principle of **3R – Reduce, Reuse and Recycle** and strives to operate in a 'closed-loop' through circularity in operations.



Along with a strong emphasis on minimizing waste generation, SRF carries out the careful segregation towards efficient handling, storage and disposal of waste materials across all its facilities. The Company has standard operating procedures for safe handling, storage and disposal of waste generated across all facilities. During the reporting period, there has been no incident of any significant spills at the manufacturing plants or during the transportation of waste for disposal. The Company is collaborating with several

authorized waste management agencies and other industries for efficient and optimum disposal in an environmentally responsible manner.

 Business Responsibility Report
Principle 2 & 6

Biodiversity Management

SRF believes that rich biodiversity plays a pivotal role in the development of a healthy and sustainable environment and encourages efforts to conserve and promote biodiversity. The Company

has undertaken proactive measures to study and manage biodiversity in and around its plant locations. Environmental Impact Assessments are carried out, wherever required, to ensure business operations are conducted in a way that protect biodiversity in the neighboring communities.

‘MY GARDEN’ IN SRF’S PLANT LOCATED IN TAMIL NADU



SRF has developed two ‘My Gardens’ in the periphery of the Technical Textile Business’s plant in Thiruvallur district in Tamil Nadu. The objective was to develop greenbelt in the area and encourage biodiversity. To implement this initiative, employees proactively engaged to spread awareness and participated in the plantation of saplings. 50 fruit trees and 40 rose saplings have been planted so far.

HUMAN CAPITAL

AN AGILE WORKFORCE FOR INCLUSIVE GROWTH



SRF considers human capital as one of the key enablers for successful implementation of their business strategies. The Company lays great emphasis on building a culture of learning and growth to nurture the talent pool. SRF’s core values **‘RINEW’** are always upheld at all levels within the organization, and thus ensure the achievement of both organizational as well as personal goals.

There is a strong focus on creating an engaging experience for employees by providing a favorable working environment that offers opportunities to develop skills, maintain high standards of health, safety and well-being and ensure inclusive growth. Health and safety parameters are considered to be of paramount importance, and thus the organization lays great emphasis on building

a safe and secure workplace for its employees.

Through the Talent Transformation Framework, SRF constantly encourages people to learn, develop and discover the potential for professional growth within the organization. This has helped SRF in building an engaging and productive workforce to achieve organizational objectives and create long-term value for all.

Key highlights

6,386

TOTAL WORKFORCE (MANAGEMENT AND NON-MANAGEMENT STAFF)

53

REDUCTION IN NUMBER OF FIRST-AID CASES FOR ALL EMPLOYEES COMPARED TO FY 2019-20

18,739 HRS

EHS TRAINING IMPARTED TO PERMANENT EMPLOYEES

7%

INCREASE IN FEMALE WORKFORCE (ACROSS MANAGEMENT LEVELS) COMPARED TO FY 2019-20

Human Resources Management

The Company focuses on attracting, developing and retaining the right talent across its business verticals. SRF diligently promotes diversity and inclusion, human rights, continuous learning and development for skill upgradation and employee engagement to create a value-based culture where employees excel along with business growth.

Diversity and Inclusion

SRF is committed towards building an inclusive workplace that encourages the principles of diversity and inclusion and ensures equal opportunity without any discrimination based on gender, age, caste, race, religion, etc. SRF recognizes the uniqueness of each individual and accepts and respects individual differences. The Company has taken proactive steps to maintain gender diversity, create a mix of diverse work experience and backgrounds, and encourage





disability inclusion by providing equal opportunities to persons with disability.

During the current reporting period, the female workforce across the management levels has increased by more than 7% compared to FY 2019-20. During the same period, SRF also employed 15 people with disabilities.



Business Responsibility Report
Principle 3





Detailed break-up of SRF's workforce is presented below:

S. No.	Total employees by category	FY 2019-20		FY 2020-21	
					
1	Senior Management	64	2	70	3
2	Middle Management	193	16	191	16
3	Junior Management	558	76	606	82
4	Non-management Staff	5,241	149	5,267	151
TOTAL*		6,056	243	6,134	252

*As on 31st March 2021, SRF employed 4,855 temporary or contractual employees. During FY 2020-21, SRF also hired 5,115 temporary or contractual employees.



Business Responsibility Report
Principle 3

S. No.	Employee turnover by category	FY 2019-20		FY 2020-21	
					
1	Senior Management	6	-	2	-
2	Middle Management	20	2	28	2
3	Junior Management	78	12	53	9
4	Non-management Staff	241	24	356	13
TOTAL*		345	38	439	24

SRF provides a healthy work environment and offers equal growth opportunities to all its employees. The Company's leave policy includes provision for maternity and paternity leaves for all married employees. In addition, various flexible leave options such as marriage, bereavement, and celebration leaves for employees are also available. Sabbaticals are also offered to eligible employees.

Training and Development

SRF is committed towards the professional development of its workforce and has carefully created a conducive environment that encourages employees to acquire new skills and build on their competence levels. SRF has a structured approach towards training and development of management and non-management staff.

Our workforce is skilled to handle various roles at our manufacturing facilities and undergo formal skill development through a rigorous implementation of the skill matrix methodology. Regular trainings along with learning and development e-modules play a vital part in keeping the employee spirits high, improve performance and retain talent.

SRF offers training methodologies that are tailored to the job profiles and business segments. The training modules are broadly classified under the following three categories: Technical, Behavioural and Functional. Training needs of each employee are identified, and a training calendar is developed after consultation with employees and their managers. In addition, a training portal called 'SOUL'



PROMINENT TRAINING MODULES

- Safety
- Legal compliance
- Prevention of sexual harassment

– SRF Online University of Learning, is in place to monitor training plans and training hours for the employees. For the non-management staff, the training need identification process is manual, and the Company is in the process of automating the system in the coming year. The table below gives a highlight of the training hours of SRF's workforce over the last two years by employee category.

S. No.	Total training hours	FY 2019-20	FY 2020-21
1	Senior Management	1,309	512
2	Middle Management	5,372	4,560
3	Junior Management	17,912	16,276
4	Non-management Staff	83,927	35,120
TOTAL		1,08,520	56,468

In brief, during the year 76% of Permanent employees, 85% of Permanent women employees, 97% of Casual/Temporary/ Contractual Employees and 93% of Employees with Disabilities were given safety / skill upgradation training.



Business Responsibility Report
Principle 3

During the current reporting period, training hours have reduced compared to the previous year because of the shift to online mode of training due to COVID-19 crisis. During the reporting year, classroom trainings have been discontinued to maintain the COVID-19 protocols. Most of the digital trainings have been

for a shorter duration keeping in mind the virtual environment and attention span of employees, thereby impacting the total training hours. The Company continues to endeavor to transition towards a hybrid model (a combination of digital platforms as well as classroom trainings) to impart behavioral trainings, thus enabling a larger impact.



Performance Management and Feedback

Another critical aspect of employee development and career advancement is the system of regular performance feedback and appraisal for employees. In terms of the evaluation process for employees, periodic performance assessments are conducted, and feedback is duly provided for improvement. SRF has a performance management system that has evolved with time. The organization ensures proper evaluation of management cadre employees on the achievement status of their key performance indicators. During the reporting year, all employees across the senior, middle and junior management levels received performance feedback and underwent a formal career development review through the performance appraisal system. SRF's 360-degree feedback mechanism also assists managers in modifying their working style from time to time, while

promoting a sense of openness in the working environment.

With deeply integrated functions and processes across the organization, the Company provides a platform to grow through job rotation, skill enhancement and career advancement opportunities.

Rewards and Recognition

To motivate and retain talent, SRF has put in place a Rewards and Recognition Programme that is purely based on merit and focuses largely on instant gratification. This has been established on the principles of fairness and transparency. The Rewards and Recognition Programme encompasses monetary rewards, non-monetary rewards and informal day-to-day appreciation across the organization. Apart from exceptional performance, SRF also rewards employees for their long service.

Automation and Analytics in HR

Over the last few years, SRF's Human Resources team has focused on automation of almost all transactional processes so that HR can spend more time with people, understanding their needs and offer support wherever needed. In addition, special focus on building analytics on 'People Data' has aided effective decision making.

Human Rights

SRF is committed to keep human rights intact across its organization as well as across its business partners. The Code of Conduct and Whistleblower Policy sets out the commitment of the Company to protect human rights. The Company provides a safe and productive work environment through the implementation of systems, processes and structured training programmes pertaining to human rights norms and policies, including prohibition of child labor, forced labor, discrimination based

on any grounds either in hiring process or among employees and prevention of sexual harassment. SRF has zero tolerance towards violation of human rights across the organization.

Clearly documented policies and procedures are in place to ensure effective resolution in case of any violation. This forms the foundation of the Company's commitment towards ethical conduct across all levels. The Code of Conduct and Whistleblower Policy mandates and helps in ensuring that employees take utmost care while selecting vendors, business partners, suppliers, etc. SRF maintains strict adherence towards mitigating human rights violation within the organization. During FY 2020-21, there were no complaints or incidents relating to child labor, forced labor, involuntary labor, discrimination or sexual harassment at SRF.



Business Responsibility Report
Principle 3 & 5

Employee engagement

Empowerment and well-being of employees are of utmost importance at SRF and there is a strong belief that motivated employees are a key to organizational success. Regular employee engagement programs are conducted to ensure strong bonding between the employees and the Company. These initiatives also ensure a connect between SRF and the family members of the employees. The Company has a structured process for conducting an annual employee engagement survey for identification of various key areas of improvement,

key concerns, and gathering suggestions for future improvements. During the year, overall engagement score as per Employee Engagement Survey 2020 was 93%. This rate has consistently increased over the last few years. In addition to this, several other periodic surveys, open houses and meetings with senior management are conducted to give employees ample opportunities to voice their opinion. The Company also regularly reaches out to its former employees to collect unbiased views on improvements that can be incorporated. The current eNPS* score is much above the industry average.

*eNPS is a score that indicates a former employee's willingness to re-join the Company. This is calculated independently by an external agency.

Grievance Mechanism

SRF offers several platforms to seek feedback and suggestions from its workforce to build an inclusive culture across the organization. This is done through well-established grievance mechanisms, feedback surveys, employee associations, etc.

- A grievance mechanism system known as the 'People Redbook System' is in place to provide a platform for employees to voice their grievances and ensure they are heard. Offices and plants are equipped with adequate complaint and suggestion boxes where employees and workers can anonymously submit their grievances. The grievance procedures clearly highlight the resolution process in a

fair and independent manner while maintaining respect for confidentiality.

- An annual employee feedback survey is conducted to address employees' concerns and to seek suggestions to bring positive changes to the culture of the Company.

Labour Relations

SRF greatly values the healthy labour relations that the organization has been able to develop at its businesses and plants. The organization places a lot of focus of catering to the leadership needs of people and provide multiple avenues to satiate this need by way of leading various groups and committees formed such as the transport committee, the canteen committee, etc. In addition, developing a strong bond with not just the employee but also his family helps SRF nurture long term healthy relations. Overall welfare of the employees and their families remain a focus area.

The Company has established employee associations, recognized by the management, to provide a platform for dialogue between the management and employees. This helps in seeking suggestions and resolve issues in a fair manner on a continuous basis. About 17% of the permanent employees are members of the employee association.



Business Responsibility Report
Principle 3



Occupational Health and Safety

Safety is an integral part of SRF's business philosophy. As a responsible organization, SRF strives to ensure a safe and healthy working environment for its workforce. The Company is committed to design, manufacture, handle, store and distribute its products in a healthy and safe manner to ensure well-being of employees, stakeholders and the communities at large.

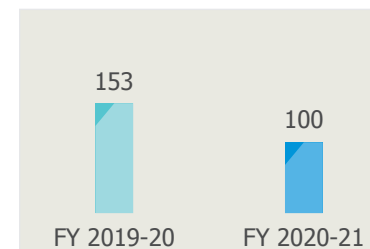
SRF's approach for a healthy and safe working environment for its employees is centered around accomplishing the culture of zero injury/fatality/accident incidents at its plants. SRF strives to achieve this by following the guidelines of the Company's Health and Safety Manual and initiatives led by health and safety committees across the organization. Additionally, all the Plants of SRF's Packaging Films

Business have been certified in accordance with the OHSAS 18001:2007 Standard, which is an international occupational health and safety management system. Also, these plants conform to the Five Star Occupational Health & Safety Standard. SRF is also pleased to highlight that the Bhiwadi Plant of Chemicals Business has recorded zero major accidents in the last 19 years.

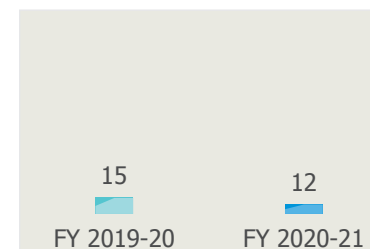
Compared to FY 2019-20, there has been a reduction of 53 first-aid cases or cases involving minor accidents for all employees across SRF. During the reporting year, there has also been no case of dangerous occurrence, i.e., cases involving bursting of a plant due to higher steam pressure, collapse or failure of a crane, explosion, fire, burst-out, leakage of molten metal, collapse of any infrastructure, leakage incidence of toxic gases or hazardous substances, bursting of centrifugal machines, etc.

The graphs below highlight the health and safety performance* over the last two years.

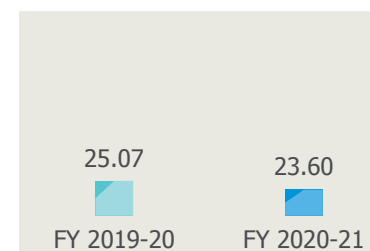
Number of first-aid cases



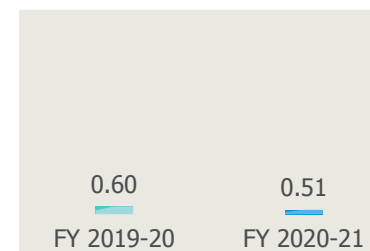
Number of Lost Time Injuries



Million man-hours worked



Lost Time Injury Frequency Rate (LTIFR) per million man-hours worked



*The health and safety performance data pertain to all employees across SRF.

Health and Safety Training

The Company endeavors to create awareness and embed health and safety in the Company culture by delivering robust health and safety trainings to its workforce to ensure well-being of each employee. Since SRF believes that achieving a safe work environment is a responsibility shared by all employees, such trainings help in developing a culture where each individual takes responsibility of maintaining high standards of health, safety and well-being. This ensures the presence of competent safety practitioners across business operations. The table below details the break-up of total trainings

hours for permanent employees covering aspects related to environment, health and safety.

During the current reporting period, EHS training hours have reduced compared to FY 2019-20 levels largely due to safety protocols arising out of the COVID-19 pandemic. Classroom's trainings have been discontinued and the Company has transitioned to the online mode to deliver trainings to its employees. Online trainings were offered in shorter duration to enable better retention by the trainees, thereby impacting the training hours.

EHS Committees

SRF has created EHS Committees to bring about a behavioral change on health and safety across all its facilities. These committees comprise of employees from both the management as well as the non-management workforce. The purpose of these committees is to ensure that all operations meet the requirements of the organization's EHS Policy and any relevant aspects concerning health, safety and environment are diligently dealt with. SRF has placed systems to monitor and address issues at an early stage to take pre-emptive measures and report near-miss incidents.

S. No.	Total EHS training hours for permanent employees	FY 2019-20	FY 2020-21
1	Permanent employees	42,768	18,739

S. No.	Category	Unit	FY 2019-20	FY 2020-21
1	Management members in the health & safety committee	No.	174	174
2	Non-management members in the health & safety committee	No.	193	177
TOTAL		No.	367	351

Creating a safe workplace amidst the rising COVID-19 pandemic

Amidst the rising COVID-19 cases across the country, operations at SRF were shut down in order to help curb its spread. SRF realized that to bring in employees to the plants to meet the business requirement while complying with regulatory norms, a safe and secure workplace was needed. SRF got into action to draw out immaculate plans and procedures. SRF ensured that the employees remain motivated, satisfied and safe throughout the COVID-19 situation, while effectively contributing to organisational goals.


Some of the major initiatives were directed towards:

- Staying virtually connected with employees.
- Reaching out to employees in distress.
- Implementation of guidelines and measures for ensuring social distancing and safe hygiene practices for common services.
- Deploying extensive communication including health/travel-related advisories.
- Ensuring scheduled sanitization of workplace, vehicles and rest rooms.
- Enforcing guidelines for security personnel and admin staff in maintaining discipline.
- COVID-19 Insurance Policy coverage.
- Providing financial assistance to employees in need.
- Ensuring supplies, including food and medicines to employees in need.
- Tie-ups with virtual doctor programs to assist employees in need.
- Creating awareness on safe and healthy work practices for all employees and imparting behavioural trainings.
- Identifying areas of potential health hazards and taking necessary actions.

SOCIAL AND RELATIONSHIP CAPITAL

CREATE LONG-TERM RELATIONSHIPS WITH STAKEHOLDERS AND CONTRIBUTE TO THE UPLIFTMENT OF LOCAL COMMUNITIES





Key highlights

INR 10.18 CR.
TOTAL COMMUNITY INVESTMENTS

1,14,285
TOTAL NUMBER OF BENEFICIARIES

INR 2.5 CR.
COVID-19 RESPONSE EXPENDITURE

23,775
COVID-19 RESPONSE BENEFICIARIES



CORPORATE AWARD FOR EXCELLENCE IN CSR BY THE PRESIDENT OF INDIA

'CSR in Challenging Circumstances – North India'.

SRF strives to maintain mutually respectful and beneficial relationships with its stakeholders, including customers, suppliers, and local communities that thrive in the vicinity of its plants. The Company puts relentless efforts to create a positive impact on local communities to empower them and contribute to the socio-economic upliftment of the society at large.

Upliftment of local communities

To create a meaningful impact in the lives of the communities, SRF places a firm belief on having a purpose intrinsic to the fabric of the society. The SRF Foundation spearheads all the CSR-related activities in India, running one of the largest community programs in and around SRF's manufacturing plant locations as well as in other parts of the country.

SRF Foundation plays an active role in championing the cause of quality education, vocational skill development, promotion of art & culture, preventive healthcare and natural resource management. Need Assessment Survey is conducted to identify the key areas of intervention

in the local communities. The Foundation also implements initiatives by collaborating with the Government, Corporates and NGOs. This helps in expanding the reach and addressing pressing issues in larger communities through effective mechanisms. After the implementation of the initiatives, Impact Assessment Study is conducted to assess the impact created on local communities. For instance, the SRF Foundation carried out impact assessment studies of Mewat Rural Education Program and Mewat Rural Vocational Program in association with International Management Institute to assess the impact of its efforts.

To ensure successful adoption and sustainability of the community development initiatives, SRF undertakes all its CSR activities in partnership with the local communities. The communities not only engage with the project planning and implementation phases, but also take full ownership of the projects. To ensure active community participation, SRF has also formed various community-based groups, such as School Management Committees, Village Development

Committees, etc., to strengthen implementation of the projects.

CSR initiatives of the Company are focussed on disadvantaged, vulnerable and marginalized stakeholders from the local communities. The Company has a process in place to identify key intervention areas based on need assessment survey. SRF engages with them in partnership with the Government or the local communities through various Corporate Social Responsibility (CSR) and Affirmative Action Interventions.

In FY 2020-21, SRF spent nearly INR 10.18 Crores on various CSR activities, including education, Natural Resource Management (NRM), art & culture, etc. During the same period, SRF also spent INR 2.5 Crores as COVID-19 response expenditure. Beyond the CSR contributions, SRF also contributed INR 1.0 Crore towards the Madhya Pradesh CM Relief Fund to help mitigate the economic impact of the COVID-19 pandemic. Some of the key initiatives are highlighted below.

COVID-19 RESPONSE



As the plight of people worsened due to the COVID-19 pandemic restrictions and the subsequent loss of livelihood, the SRF Foundation stepped in to protect the lives of people in the communities. It was ensured through effective distribution of grocery and food packets, masks, sanitizers, gloves and PPE kits to those in need. During the uncertain times, the SRF Foundation also extended its support to the local NGOs, government officials, local administration, healthcare workers, police personnel and other essential service providers. Apart from providing essential items, medical kits, temperature guns, ICU cots and meals distribution, financial assistance was provided to the communities, as well as to hospitals and government authorities. Nearly 100 employees of SRF have been involved throughout the implementation of the program.

Impact created: 23,775 beneficiaries across 8 locations in India

NATURAL RESOURCE MANAGEMENT (NRM) PROJECT



The NRM project continues to reach the marginalised sections of the society and improve their livelihood by adopting the watershed-based practices and environment conservation approach. Hydrological and Environment studies have been conducted in 35 villages around SRF Bhiwadi Plant in the Tijara block where rainfall is below normal. Based on the study, 206 earthen dams have been constructed till date for harvesting rainwater. The aim is to recharge groundwater equal to double the amount of extraction at the Bhiwadi Plant. The project also helped local farmers by levelling 1,850 hectares of privately-owned barren and gullied lands and planting 3.5 lakh Aruneem plants. 15 employees of SRF have been directly involved in the implementation of the project.

Impact created: 8,700 people | 35 villages, Alwar

DIGITAL EDUCATION PROGRAM



The Digital Education Program has a vision to transform India into a digitally empowered society and knowledge economy by imparting quality education and developing digital skills.

The project is implemented by SRF Foundation in collaboration with various government departments and functionaries such as State/ District Education Departments, private, local and village institutions, panchayats, etc. The focus is on improving infrastructure and academic facilities and promoting digital-based learning.

Nearly 240 employees have been involved over the entire span of the project.

1,36,311 students, 2,161 teachers spread over 472 schools and 1,11,095 community members in 19 locations and across 9 states have benefitted from this program.

Impact created: 1.3 lakhs students; 2,161 teachers; 1.1 lakhs community members | 9 States

VOCATIONAL SKILLS PROGRAM



The SRF Foundation has initiated the Vocational Skills Program with the mantra of 'Connect the Unconnected' to provide economic security to the rural youth, by making both the skills and opportunities available to them.

The SRF Foundation works in a collaborative manner, wherein, it partners with every stakeholder that can or does play a significant role in imparting the necessary skills and develop employable youth to secure their livelihood.

Out of all the trainees trained since 2011, majority of them have secured placements and the rest of them have opened their own businesses.

The impact assessment of the program has been conducted twice and 60 employees of SRF have been involved in the implementation of the program since its inception.

Impact created: Nuh: 100 students every year since 2011; Gwalior and Gummidipoondi: 200 students every year since 2018 | 29 Villages

Partnering with customers in their growth

SRF undertakes various initiatives for nurturing relationship with its customers to secure the position of a trusted and long-term partner of choice. The values are built on the foundation of long-term, transparent and trust-based relationships through continuous engagement and innovation. Customer feedback is of immense importance for SRF. Thus, the Company seeks customer feedback through customer satisfaction surveys conducted in a periodic manner. Robust systems and resolution mechanisms are in place to ensure customer feedback is incorporated and corrective action is taken.

As on 31st March 2021, overall SRF had 7.85% of pending customer complaints for resolution.

 Business Responsibility Report
Principle 9

Product labelling

SRF is cognizant of the criticality of providing adequate product information on all its products to ensure transparency with its customers. SRF largely manufactures intermediates and supplies to industrial customers. The Company provides the necessary information and instructions for use of its products, product grade, dimensions, gross weight and other necessary regulatory requirements, as applicable. Additionally, material facts sheet, safety instructions, precautions to be taken while handling the product, Hazard Class in case of hazardous materials, and any other specific information requested by the customer is also shared.

In addition, the Chemicals Business also labels the Zero ODS potential in their products, wherever required. Over and above the mandated state and national laws, the Chemicals

Business also follows all applicable international rules and regulations, such as, Globally Harmonized System (GHS), Classification, Labelling and Packaging (CLP) notification, International Maritime Dangerous Goods (IMDG) Code, etc., while displaying information on product label.

 Business Responsibility Report
Principle 9

Sustainable product offerings

Considering the growing demand of customers for environmentally and socially responsible products and the grave issue of climate change, SRF has been consciously driving its resources to develop sustainable products. The Company aims to manufacture products taking into consideration the social and environmental concerns, risks and opportunities. Some of the key products are highlighted below:

SOCIALLY AND ENVIRONMENTALLY RESPONSIBLE PRODUCT OFFERINGS BY SRF

- R125 refrigerant gas is ozone-safe and has zero ozone depleting substances (ODS)
- R422B is a non-toxic/non-flammable refrigeration gas, that contains zero ODS and has a very low global warming potential (GWP)
- Low-micron Packaging Films offer low carbon footprint with sustained quality parameters
- Thermal-resistant BOPP offers ease of recyclability

 Business Responsibility Report
Principle 2



Sustainable supply chain


SRF procures all the key raw materials from reliable and sustainable sources by establishing strong relationship with suppliers and other business partners to ensure uninterrupted operations and business continuity. SRF has introduced digital interventions to combat supply chain disruptions and has put efforts to automate processes using the Business Process Management platforms. In some of the key segments, SRF also plans to integrate the customer and supplier portals to gain a good control on the key supply chain metrics. For the sourcing of critical raw materials, the Company has entered into long-term contracts with the vendors for continuous supply and formulae-driven price discovery agreements.

The Company firmly believes in fostering its supply chain with high standards of health and safety, human rights, business integrity and the environment protection, among

other parameters. This not only generates value for the Company, but also helps in mitigating the inherent risks associated with its intricate supply chain. For instance, the Chemicals Business at SRF has a Code of Conduct in place that assesses the ESG aspects (Health and Safety, Human Rights, etc.) of their strategic suppliers. The Business carries out a periodic self-assessment of vendors and suppliers in accordance with the SA 8000 standard. In addition to this, SRF undertakes the supplier quality system assessment and development exercises on a periodic basis for its key suppliers by evaluating them on various parameters, such as, Resource Management, Planning of Product Realisation, Design and Development, Production, Compliance to Environmental requirements and Certifications, Customer Complaint Handling, Handling and Storage, etc. The Company follows a structured process, which includes gaps identification and establishment

of corrective action plans to ensure gaps are corrected in a timely manner. Based on the outcome of the assessment, rating is also provided to key suppliers.

Sustainable sourcing of materials is a key focus area. SRF places reliance on local sourcing, wherever possible. Across SRF, 50-75% of key raw materials are sourced locally. As a constant endeavour to optimise natural resource management and continually improve on the environmental performance, During FY 2020-21, the Packaging Films Business consumed about 45 MT/month of PET flakes and Recycled PET Resin at its Kashipur plant. This share constituted nearly 8% of the total A-category raw material consumption of the plant on an annual average basis.

 Business Responsibility Report
Principle 2

FINANCIAL CAPITAL

CREATING VALUE FOR ALL STAKEHOLDERS THROUGH ENHANCED ECONOMIC PERFORMANCE



Key highlights

INR 8,400 CR.

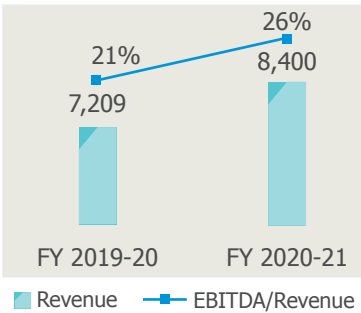
REVENUE

INR 2,188 CR.

EBITDA

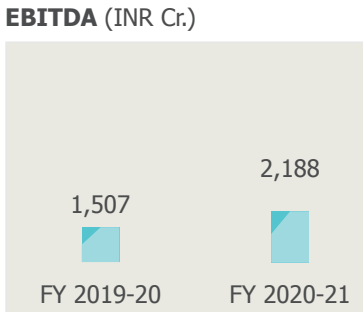
INR 1,198 CR.

PROFIT AFTER TAX (PAT)



SRF continues to maximise value for all stakeholders by the implementation of differentiated business strategies, optimum utilization of resources, strengthening business processes that aid in building a sustainable business model. The financial performance, including revenue, expenses, new future opportunities among others, are regularly assessed, monitored on a periodic basis and reported publicly wherever required. While growing as a profitable business, the funds generated are utilised to create value across all other capitals, ensuring that the benefits of growth are far-reaching.

The Company focuses on capitalizing opportunities by growing its market presence and current product portfolio. This enables SRF to deliver long-term sustainable returns to shareholders by increasing market capitalization and higher dividend pay-out. Optimum allocation and use of resources are the key focus areas within the Company. SRF's internal policies for CAPEX proposal, investment policies, among others set the principles and facilitate prudent capital allocation. The Company continues to evaluate and



implement various capital structure strategies, follow a balanced approach of equity and debt mix, generating healthy cash inflows, and building a robust balance sheet.

SRF strives to ensure optimum utilisation of financial capital across all its business verticals. The Company is constantly taking initiatives to boost productivity and achieve operational efficiency, thereby reducing operational costs and creating better returns for shareholders. To achieve this, SRF is strategically focussing on initiatives such as digitalisation, energy efficiency, waste management, etc.

Through continuous focus on strengthening its financial capital, the Company has attained a key position in the industry across all business verticals and plans to move in the same direction to sustain its position in the future.

(Details on the financial performance of the Company are provided in Consolidated section page 250).

IMPLICATIONS OF COVID-19 ON ECONOMIC PERFORMANCE

The COVID-19 pandemic has been an unprecedented crisis in human mankind and has affected individuals, businesses and countries globally. The spread of the pandemic reshaped the social norms and attitudes and plunged the world economy into a downturn.

Due to the pandemic and subsequent lockdown, the Company witnessed slowdown in demand for products across sectors, leading to significant reduction in cash inflows and sales, thereby impacting the overall revenue of the Company.

SRF has been relentlessly and proactively focusing on enhancing its financial strength and minimizing the impact of the pandemic on its operations. The Company operated during lockdown in compliance with the advisories issued by the Government of India and local authorities, ensuring high levels of health and safety for its workforce. The Company carried out fund flow planning and enhanced short-term and medium-term borrowing to mitigate risks pertaining to liquidity. SRF ensured close monitoring of customer demand and production capacity and maintained an efficient product mix by prioritising product manufacturing.

Going forward, the Company will continue to monitor the volatile environment, as it evolves, and take necessary measures to ensure business continuity.



BUSINESS RESPONSIBILITY REPORT

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

About SRF

SRF Limited is a chemical based multi-business entity engaged in the manufacturing of industrial and specialty intermediates. The Company is widely recognized and well respected for its R&D capabilities globally, especially in the niche domain of chemicals. SRF is a market leader in most of its business segments in India and also commands a significant global presence in some of its businesses, with operations in four countries namely, India, Thailand and South Africa and Hungary. The Company has commercial interests in more than seventy-five countries and classifies its main businesses as Technical Textiles Business (TTB), Chemicals Business (CB), Packaging Films Business (PFB) and Other Businesses.

About this report

The Securities and Exchange Board of India (SEBI) as per its (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 1000 listed entities based on market capitalization at the BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of those 9 Principles. Following is the Business Responsibility Report of our Company for FY 2020-21, which is based on the format recommended by SEBI.

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L18101DL1970PLC005197																				
2.	Name of the Company	SRF Limited																				
3.	Registered Address	The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110 091																				
4.	Website	www.srf.com																				
5.	Email id	cs@srf.com																				
6.	Financial Year reported	2020-2021																				
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	SRF Limited is a chemical based multi-business entity engaged in the manufacturing of industrial and specialty intermediates. The Company classifies its businesses as Technical Textiles, Chemicals, Packaging Films and Other Businesses.																				
8.	List three key products/services that the Company manufactures/provides (as in balance sheet) SRF's product portfolio can be broadly categorized into - Technical Textiles - Chemicals - Packaging Films Technical Textiles include Tyre Cord Fabrics, Belting Fabrics and Industrial Yarn. Chemicals include Fluorochemicals and Specialty Chemicals. Packaging Films include Polyester Films viz. BOPET (Biaxially-oriented polyethylene terephthalate) and BOPP (Biaxially oriented polypropylene film)																					
9.	Total number of locations where business activity is undertaken by the Company i) Number of International Locations (Provide details of major 5) Details of SRF's international businesses, through its overseas subsidiaries, are given below:- <table><tr><th>S. No.</th><th>Name of Subsidiary and Country</th><th>Major products/ categories</th></tr><tr><td>1.</td><td>SRF Industries (Thailand) Ltd., Thailand</td><td>Packaging Films</td></tr><tr><td>2.</td><td>SRF Flexipak (South Africa)(Pty) Ltd, South Africa</td><td>Packaging Films</td></tr><tr><td>3.</td><td>SRF Industex Belting (Pty) Ltd., South Africa</td><td>Chemicals Business (Trading)</td></tr><tr><td>4.</td><td>SRF Europe KFT, Hungary</td><td>Packaging Film Business</td></tr></table>		S. No.	Name of Subsidiary and Country	Major products/ categories	1.	SRF Industries (Thailand) Ltd., Thailand	Packaging Films	2.	SRF Flexipak (South Africa)(Pty) Ltd, South Africa	Packaging Films	3.	SRF Industex Belting (Pty) Ltd., South Africa	Chemicals Business (Trading)	4.	SRF Europe KFT, Hungary	Packaging Film Business					
S. No.	Name of Subsidiary and Country	Major products/ categories																				
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3.	SRF Industex Belting (Pty) Ltd., South Africa	Chemicals Business (Trading)																				
4.	SRF Europe KFT, Hungary	Packaging Film Business																				
	ii) Number of National Locations SRF has manufacturing plants in 10 locations across the country. <table><tr><th>State</th><th>Location</th></tr><tr><td>Tamil Nadu</td><td>Manali</td></tr><tr><td>Tamil Nadu</td><td>Viralimalai</td></tr><tr><td>Tamil Nadu</td><td>Gummidipoondi</td></tr><tr><td>Gujarat</td><td>Dahej</td></tr><tr><td>Rajasthan</td><td>Jhiwana</td></tr><tr><td>Madhya Pradesh</td><td>SEZ Indore</td></tr><tr><td>Madhya Pradesh</td><td>Industrial Growth Centre Pithampur</td></tr><tr><td>Madhya Pradesh</td><td>Malanpur</td></tr><tr><td>Uttarakhand</td><td>Kashipur</td></tr></table> SRF's regional offices are situated at Delhi, Mumbai, Chennai and Kolkata.		State	Location	Tamil Nadu	Manali	Tamil Nadu	Viralimalai	Tamil Nadu	Gummidipoondi	Gujarat	Dahej	Rajasthan	Jhiwana	Madhya Pradesh	SEZ Indore	Madhya Pradesh	Industrial Growth Centre Pithampur	Madhya Pradesh	Malanpur	Uttarakhand	Kashipur
State	Location																					
Tamil Nadu	Manali																					
Tamil Nadu	Viralimalai																					
Tamil Nadu	Gummidipoondi																					
Gujarat	Dahej																					
Rajasthan	Jhiwana																					
Madhya Pradesh	SEZ Indore																					
Madhya Pradesh	Industrial Growth Centre Pithampur																					
Madhya Pradesh	Malanpur																					
Uttarakhand	Kashipur																					
10.	Markets served by the Company – Local/State/National/ International SRF serves both national and international markets spread across Asia, Africa, Europe, North America and South America.																					

Section B : Financial Details of the Company

1.	Paid up Capital (INR)	59.24 Crores
2.	Total Turnover (INR)	6988.32 Crores
3.	Total profit after taxes (INR)	1,198 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) calculated in accordance with Companies Act, 2013	Total spending on CSR is ₹ 10.18 Crores (1.54% of average net profit for the past 3 years calculated in accordance with Companies Act, 2013) after taking credit of ₹ 0.37 crores being excess spent during the previous 3 years and transfer of ₹ 2.70 Crores to SRF Limited-Unspent CSR Account- 2020-21 in respect of ongoing projects.
5.	List of activities in which expenditure in 4 above has been incurred	List of CSR activities are detailed in the Annual Report of CSR Activities, ANNEXURE – II to the Board's Report.

Section C : Other Details

1.	Does the Company have any Subsidiary Company/Companies ?
	Following are the wholly owned subsidiary companies:- <ul style="list-style-type: none"> SRF Global BV, The Netherlands (Foreign Wholly Owned Subsidiary) SRF Industries (Thailand) Ltd., Thailand (Foreign Wholly Owned Subsidiary) SRF Flexipak (South Africa) (Pty) Ltd., South Africa (Foreign Wholly Owned Subsidiary) SRF Industex Belting (Pty) Ltd., South Africa (Foreign Wholly Owned Subsidiary) SRF Europe Kft, Hungary (Foreign Wholly Owned Subsidiary) SRF Holiday Home Ltd. (Domestic Wholly Owned Subsidiary)
2.	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company ? If yes, then indicate the number of such subsidiary Company(s)
	The subsidiary companies operate in different jurisdictions and are engaged in their own BR initiatives as applicable to them.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company ? If yes, then indicate the percentage of such entity/entities ? [Less than 30%, 30-60%, More than 60%]
	No

Section D : BR Information

1. Details of Director/Directors responsible for implementation of the BR policy/policies

Implementation of BR policies is the responsibility of Mr. Kartik Bharat Ram, Deputy Managing Director (DIN: 00008557)

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

S. No.	Questions	Principle 1 Ethics, transparency & Sustainability, accountability	Principle 2 Sustainability in life-cycle of products	Principle 3 Employee well-being	Principle 4 Stakeholder engagement	Principle 5 Promotion of human rights	Principle 6 Environmental protection	Principle 7 Responsible public policy advocacy	Principle 8 Inclusive growth	Principle 9 Customer value
1	Do you have a policy/policies for	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No
2	Has the policy been developed in consultation with relevant stakeholders?	Yes	NA	Yes	No	Yes	Yes	NA	Yes	NA
3	Does the policy conform to any national/ international standards? If yes, specify.	NA	NA	Yes OHSAS 18001:2007 SA 8000 (Social Accountability)	No	NA	Yes ISO 14001 (Environment Management System) ISO 50001 (Energy Management System) The policies are in line with the best practices followed in the industry	NA	NA	NA
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director	Yes, Board of Directors President - HR	NA	Yes, Board of Directors CEO, President - HR	Yes, Board of Directors MD and Director (CSR)	Yes, Board of Directors President - HR	Yes, Director – Environment, Health & Safety	NA	Yes, Board of Directors MD and Director (CSR)	NA
5	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	NA

S. No.	Questions	Principle 1 Ethics, transparency & Sustainability, accountability	Principle 2 Sustainability in life-cycle of products	Principle 3 Employee well-being	Principle 4 Stakeholder engagement	Principle 5 Promotion of human rights	Principle 6 Environmental protection	Principle 7 Responsible public policy advocacy	Principle 8 Inclusive growth	Principle 9 Customer value
6	Indicate the link for the policy to be viewed online#	Partial 1. Code of Conduct for Directors & Senior Management Personnel 2. Whistle-blower Policy 3. Code of Conduct for Prevention of Insider Trading	NA	No	Yes 1. CSR Policy 2. Dividend Distribution Policy	No 1. Policy against Sexual Harassment 2. Whistle-blower Policy	No	NA	Yes 1. CSR Policy	NA
7	Has the policy been communicated to the relevant internal and external stakeholders?	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	NA
8	Does the Company have an in-house structure to implement the policy?	Yes	NA	Yes	Yes CSR Policy is implemented through SRF Foundation	Yes	Yes	NA	Yes CSR Policy is implemented through SRF Foundation	NA
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy /policies?	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	NA
10	Has the Company carried out Independent audit/evaluation of the working of this policy by an internal or external agency?	No	NA	Yes	No	Yes	Yes	NA	No	NA

CSR Policy : <https://www.srf.com/wp-content/uploads/2021/04/25032021-Final-SRF-Corporate-Social-Responsibility-policy.pdf>

Dividend Distribution Policy: <https://www.srf.com/wp-content/uploads/2020/11/Dividend-Distribution-Policy.pdf>

Code of Conduct for Directors & Sr. Management: <https://www.srf.com/wp-content/uploads/2020/11/Code-of-Conduct-for-Directors-and-Senior-Management-Personnel.pdf>

Code of Conduct for Prevention of Insider Trading: <https://www.srf.com/wp-content/uploads/2021/04/2019-05-13-SRF-Code-of-Conduct-for-Prevention-of-Insider-Trading.pdf>

2A If answer to S. No. 1 against any principle, is 'No', please explain why : (Tick up to 2 options)

S. No.	Question	Principle 2 : Sustainability in life-cycle of products	Principle 7 : Responsible public policy advocacy	Principle 9 : Customer value
1.	The Company has not understood the Principles			
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles			
3.	The company does not have financial or manpower resources available for the task			
4.	It is planned to be done within next 6 months			
5.	It is planned to be done within the next 1 year			
6.	Any other reason (please specify)	SRF manufactures intermediate products which is largely supplied to other industries for manufacturing of the final product. Any sustainability initiative has to consider the final product as a whole for which the manufacturer of the final product is responsible.	SRF is a member of various industrial and trade bodies. We actively participate in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be a part of the broader policy development process through making representations to Chambers of Commerce, giving our comments on the proposed amendments in the relevant legislations and being a part of discussions with the representatives of the relevant authorities in open forums. Hence, we do not feel such a policy is necessary for us.	SRF is a business-to-business player and, as such, the customers are largely manufacturing companies which have stringent quality control measures in place and the quality of the product supplied by SRF is a part of the agreements with them. The product is manufactured as per the agreed parameters and specifications.

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year

The Board of Directors discuss the BR performance annually. CSR Committee discusses the relevant areas pertaining to CSR annually.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The financial year 2020-2021 is the fifth year for which the provisions of Business Responsibility Reporting of the Listing Regulations are

applicable to the Company. The Company is publishing BRR report for financial year 2020-21 as part of its Annual Report. The Annual Report is available on the website of the Company at <https://www.srf.com/investor-relations/investors.html#investorinfo>.

The Chemicals Business of the Company has been publishing a Sustainability Report every two years. The last report for 2017-19 is available at: <https://www.srf.com/wp-content/uploads/2020/12/SRF-CB-Sustainability-Report-2019-LR.pdf>

The Packaging Films Business of the Company has published its Sustainability Report for FY 2018-20 and is available at: <https://www.srf.com/wp-content/uploads/2021/03/PFB-Sustainability-Report-2018-20.pdf>

Section E : Principle-wise performance

BRR Principle	Requirement	Section	Page No.
Principle 1 Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable	Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/ JVs/ Suppliers/ Contractors/ NGOs/ Others?	Codes and Policies	21
	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management?	Codes and Policies	22
Principle 2 Businesses should provide goods and services in a manner that is sustainable and safe	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	Social and Relationship Capital - Sustainable product offerings	60
	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Social and Relationship Capital - Sustainable supply chain	61
	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Social and Relationship Capital - Sustainable supply chain	61
	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).	Manufactured Capital - Raw Materials	39
		Natural Capital - Waste Management	48
Principle 3 Businesses should respect and promote the well-being of all employees, including those in their value chains	Please indicate the total number employees.	Human Capital - Human Resources Management	50
	Please indicate the total number of employees hired on temporary/ contractual/ casual basis.	Human Capital - Human Resources Management	50
	Please indicate the number of permanent women employees.	Human Capital - Human Resources Management	50
	Please indicate the number of permanent employees with disabilities.	Human Capital - Human Resources Management	50
	Do you have an employee association that is recognized by Management?	Human Capital - Human Resources Management	53
	What percentage of your permanent employees is Members of this recognized employee association?	Human Capital - Human Resources Management	53
	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Human Capital - Human Resources Management	53
	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	Human Capital – Health and Safety Training	51

BRR Principle	Requirement	Section	Page No.
Principle 4 Businesses should respect the interests of and be responsive to all its stakeholders	Has the Company mapped its internal and external stakeholders?	Stakeholder Engagement	24
	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.	Stakeholder Engagement	24
	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	Stakeholder Engagement	24
Principle 5 Businesses should respect and promote human rights	Does the policy of the Company on human rights cover only the Company or extend to the Group/ JVs/ Suppliers/ Contractors/ NGOs/ Others?	Human Capital - Human Resources Management	53
	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Human Capital - Human Resources Management	53
Principle 6 Businesses should respect and make efforts to protect and restore the environment	Does the policy related to Principle 6 cover only the Company or extends to the Group/ JVs/ Suppliers/ Contractors/ NGOs/ others.	Natural Capital	44
	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.	Natural Capital - Energy Management	46
	Does the Company identify and assess potential environmental risks?	Risk Management	28
	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, whether any environmental compliance report is filed?	Natural Capital - Emissions	46
	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N? If yes, please give hyperlink for web page etc.	Natural Capital - Energy Management	46
	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Natural Capital – Emissions	46
		Natural Capital - Waste Management	47
	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Natural Capital – Emissions	46
		Natural Capital - Waste Management	47

BRR Principle	Requirement	Section	Page No.
Principle 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Industry Associations	23
	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Industry Associations	23
Principle 8 Businesses should promote inclusive growth and equitable development	Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Social and Relationship Capital – Upliftment of local communities	57
	Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?	Social and Relationship Capital – Upliftment of local communities	57
	Have you done any impact assessment of your initiative?	Social and Relationship Capital – Upliftment of local communities	57
	What is your Company's direct contribution to community development projects – Amount in ₹ and the details of the projects undertaken.	Social and Relationship Capital – Upliftment of local communities	57
	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Social and Relationship Capital – Upliftment of local communities	57
Principle 9 Businesses should engage with and provide value to their consumers in a responsible manner	What percentage of customer complaints/ consumer cases are pending as on the end of financial year?	Social and Relationship Capital - Partnering with customers in their growth	60
	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)	Social and Relationship Capital – Product labelling	60
	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so	Codes and Policies	22
	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Social and Relationship Capital - Partnering with customers in their growth	60

TRANSFORMING LIVES. BRINGING SMILES.



PANKAJ GHOSHAL
TRAINEE, NOIDA, UTTAR PRADESH
SRF FOUNDATION'S CAPGEMINI INDIA DIGITAL LITERACY CENTER

It was young Pankaj's unfulfilled dream to learn how to operate a computer.

Being visually impaired and belonging to a low-income household were major impediments in his learning journey.

When SRF Foundation set up the Capgemini India Digital Literacy Centre in his neighborhood, he saw a ray of hope. The free-of-cost computer learning course was exactly what Pankaj needed. Upon enrolment, his trainer paid special attention to his learning needs by providing him access to screen reading software like Non-Visual Desktop Access (NVDA) and other necessary aids. Today, Pankaj can confidently browse the web, operate applications like Microsoft Word, Paytm, Amazon, among others. He has his personal email account and can pay bills, purchase essentials, and apply for higher education online.

More power to the indomitable spirit of Pankaj and several young boys and girls like him.



AASIM WASIM
TRAINEE, NUH, MEWAT,
SRF FOUNDATION'S SCHNEIDER ELECTRIC BASIC ELECTRICIAN TRAINING PROGRAM

Hailing from a small village in the Nuh district of Mewat, Aasim Wasim is the youngest in a family of eight. Struggling to make ends meet, Aasim started unsuccessfully searching for a job, right after completing high school. Instead of getting dejected, he enrolled himself at SRF Foundation's Schneider Electric Basic Electrician Training Program which is a free-of-cost, four-month program and learned a great deal. The training program equipped him with skills to start his own electrical shop with a meagre investment of ₹ 5,000. Today, he earns approx. ₹ 20,000 per month, ensuring a better livelihood for his entire family.



KANIKA SINGH
TEACHER — GREATER NOIDA-UTTAR PRADESH,
SRF FOUNDATION'S INDIGO SCHOOL
ADOPTION PROGRAM

It was her love for Science that inspired Kanika to become a schoolteacher. Her goal was to instill in her students the inquisitiveness to explore and discover the world of Science. However, due to the unavailability of a well-equipped Science laboratory in the school, she couldn't fully achieve her goal.

The School underwent a massive infrastructural transformation after it was adopted by SRF Foundation and IndiGo under the flagship School Adoption Program. With a fully stacked and functional Science Lab now, Kanika can demonstrate experiments and strengthen the understanding of concepts among her students.

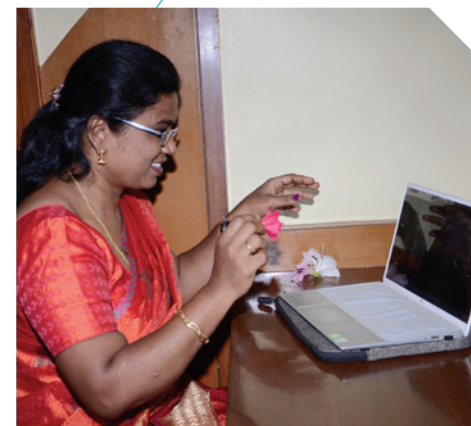


FARJANA
TRAINEE-MEWAT, HARYANA SRF FOUNDATION'S
TEACH INDIA (TIMES GROUP) SPOKEN
ENGLISH PROGRAM

Farjana joined a free course in Spoken English, conducted by SRF Foundation in collaboration with Teach India, close to her village in Mewat. The course prepared her to face interviews with confidence and helped her secure job offers. Today, she is employed at Dr. Himmat Rai Memorial Hospital.

She is the first girl in her family who is economically independent and supporting her family financially.

She feels free, happy, and more self-confident. SRF Foundation's Spoken English Program has given wings to several girls like Farjana to go out there and chase their dreams.



UDAYAJYOTHI
ASSISTANT TEACHER, BENGALURU, KARNATAKA
SRF FOUNDATION'S BRILLIO DIGITAL BASED
LEARNING PROGRAM

Innumerable teachers and educators including Udayajyothi in government and private schools all over the country have been facing difficulties in using a webcam and microphone to teach their students after the COVID-19 induced lockdown was put in place.

Conducting online classes was proving to be more difficult than the regular classes for Udayajyothi until the launch of the Digital Based Learning Program by Brillio and SRF Foundation.

The program equipped teachers with the know-how on integrating online tools in imparting quality education to students. By overcoming the technological barrier and utilizing her learning, Udayajyothi successfully conducted online classes not only for the students of her own school, but 30 other schools too.

She has been invited by the Government to Karnataka to train other teachers as part of its 'DD Chandana Samveda Program'.

In addition, she has created her YouTube channel, where she is learning, teaching and growing every day.



SANJANA
BHIWADI, RAJASTHAN
RURAL EDUCATION PROGRAM

Hit by the pandemic, little Sanjana's parents were worried about her future. With no guidance or supervision, Sanjana had slowly begun to lose interest in studies.

It was at this crucial time that SRF Foundation implemented several innovative educational initiatives, to help children like Sanjana find their way back to academics.

WhatsApp-based classes with regular assignments was conducted. The teachers responded with remarks and cleared doubts through the App.

SRF Foundation also launched the Mohalla classes to effectively engage the students in learning. With strict COVID-19 protocols in place, a mix of offline and online mode of education was put in place. Other academic and extra-curricular activities were also undertaken to help children like Sanjana stay motivated.

We are confident that Sanjana's future is secure.



SHUBH PREETI
TEACHER - BHIWADI, RAJASTHAN,
RURAL EDUCATION PROGRAM

Shubh Preeti is one of the most dedicated teachers to be associated with SRF Foundation's Rural Education Program. Belonging to a small town, her dream was to make education accessible to all.

During the pandemic, her students suffered a great deal. As a concerned educator, Shubh Preeti started looking for avenues to help her students cope with the changes happening around them. It is at this time that SRF Foundation launched 'Mohalla classes' across its intervention locations. Shubh got involved from the beginning and continues to educate her students through the Mohalla classes.

Strict COVID-19 protocols are observed while conducting classes in the open for students. The initiative has proved to be very effective and has ensured continuity of school education for a lot of children.



ILLIYAS KHAN
FARMER - BHIWADI, RAJASTHAN
NATURAL RESOURCE MANAGEMENT PROGRAM

Iliyas Khan is another beneficiary of the Natural Resource Management Program. He lives in Guwalda, a small village in Alwar district of Rajasthan.

Under its Natural Resources Management Program, SRF Foundation supported farmers like Iliyas through projects such as rainwater harvesting, waste land restoration, large scale plantation, agriculture intervention, livestock promotion, micro-enterprise development, etc.

Benefitting from the program, Iliyas was able to procure more animals to domesticate. With the help of his animals, he was able to plant more saplings in his farmland. This resulted in an increase in the production of crops.

The NRM program also built paals (dams) for farmers like him, who could benefit from the availability of clean drinking water for the animals and to irrigate the lands.

SRF Limited

(CIN: L18101DL1970PLC005197)

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Mayur Vihar Phase I Extn, Delhi – 110091

Tel. No: (+91-11) 49482870, (+91-124) 4354400, Fax: (+91-11) 49482900, (+91-124) 4354500

Email: cs@srf.com website: www.srf.com

NOTICE

Notice is hereby given that the **50th Annual General Meeting** of SRF Limited will be held on **Tuesday, August 31, 2021** at **11.00 a.m.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility to transact the following businesses: -

Ordinary Business

1. To receive, consider and adopt the standalone and consolidated audited financial statements of the Company for the financial year ended March 31, 2021 along with the Reports of the Auditors' and Board of Directors' thereon.
2. To resolve not to fill the vacancy caused by the retirement of Dr. Meenakshi Gopinath (DIN: 00295656), who retires by rotation at the conclusion of this meeting, but does not seek reappointment.

Special Business

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

Re-appointment of Mr. Kartik Bharat Ram (DIN: 00008557) as Deputy Managing Director

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for reappointment of Mr. Kartik Bharat Ram (DIN: 00008557) as Deputy Managing Director on the terms, conditions and remuneration, including minimum remuneration as are hereinafter specifically given:-

Tenure

Five years with effect from June 1, 2021

Functions

Mr. Kartik Bharat Ram shall be responsible for Human Resources, Information Technology, Total Quality Management, Corporate Communication functions and other responsibilities as may be entrusted to him by the Chairman and/or the Board, from time to time.

Remuneration

Subject to the overall limit on remuneration payable to all the managerial personnel taken together and provisions of applicable laws, the remuneration payable to Mr. Kartik Bharat Ram shall comprise salary, perquisites and commission, as may be decided by the Board/ Nomination and Remuneration Committee in accordance with the Nomination, Appointment and Remuneration Policy within an overall ceiling of 5% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013.

Remuneration for a part of the Year

Remuneration for a part of the year shall be computed on pro-rata basis.

Minimum Remuneration

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mr. Kartik Bharat Ram shall be decided by the Nomination and Remuneration Committee subject to the provisions of Companies Act, 2013 and such approval, if any, as may be required.

Termination

The appointment of Mr. Kartik Bharat Ram as Deputy Managing Director may be terminated by

either party giving to the other three calendar months notice in writing.

In the event of termination of this appointment of Mr. Kartik Bharat Ram by the Company, he shall be entitled to receive compensation in accordance with the provisions of the Companies Act, 2013 or any statutory amendment or re-enactment thereof."

"RESOLVED FURTHER THAT the Nomination and Remuneration Committee be and is hereby authorised to recommend/decide from time to time the salary, perquisites and commission payable to Mr. Kartik Bharat Ram during his tenure with effect from June 01, 2021 within the approved ceiling of remuneration in accordance with the Nomination and Remuneration Policy."

"RESOLVED FURTHER THAT in the event of any further revision in the levels of permissible managerial remuneration, the Board/ Nomination and Remuneration Committee may alter, vary and increase the remuneration of Mr. Kartik Bharat Ram (DIN: 00008557), notwithstanding the overall remuneration set out as above, as may then be prescribed/ permissible."

"RESOLVED FURTHER THAT the powers and authorities delegated by the Board to Mr. Kartik Bharat Ram from time to time including powers to sub-delegate shall remain valid upon his re-appointment."

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

Approval for appointment, payment and facilities to be extended to Mr. Arun Bharat Ram as Chairman Emeritus of the Company from April 1, 2022 to March 31, 2027.

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Act'), the Rules made thereunder or any amendment thereto or modification thereof, the Articles of Association, and such other approvals, permissions and sanctions as may be required, approval of the members

be and is hereby accorded for appointment and making payments and extending facilities to Mr. Arun Bharat Ram, as Chairman Emeritus of the Company for a term of five years commencing from April 1, 2022 till March 31, 2027 as approved by the Board of Directors and set out in the explanatory statement relating to this resolution, with liberty to the Board of Directors, to alter or vary the terms and conditions (including the payments and facilities) in such manner as the board may deem fit and is acceptable to Mr. Arun Bharat Ram.

"RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation to the Act by the Central Government, the Board of Directors be and is hereby authorised to vary the terms and conditions (including the payments and facilities accorded to Mr. Arun Bharat Ram) in accordance with the applicable law without any further reference to, or requirement to seek approval of the members of the Company.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

Ratification of Remuneration of Cost Auditors for financial year 2021-22.

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022 as provided below, be and is hereby approved and ratified:

Name of Cost Auditor	Business	Remuneration payable
H Tara & Co. (Membership No. 17321)	Technical Textiles Business and Other Businesses	₹ 3.00 lakhs plus applicable taxes and reimbursement of actual out of pocket expenses
Sanjay Gupta & Associates (Membership No. 18672)	Chemicals Business and Packaging Films Business	₹ 5.25 lakhs plus applicable taxes of actual out of pocket expenses

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

Offer or invitation to subscribe to Redeemable Non-Convertible Debentures of the Company on private placement

"RESOLVED THAT pursuant to the provisions of Sections 42, 71, 179 and any other applicable provisions of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board duly

authorized by it in this regard in accordance with the applicable provisions of the said Act) be and is hereby authorised to issue, offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, aggregating upto ₹ 1500 crores (Rupees fifteen hundred crores), on private placement basis, and on such terms and conditions as the Board of Directors may, from time to time, determine and consider proper and most beneficial to the Company including as to the timing of issue of such Debentures, the consideration for the issue, the utilisation of the issue proceeds and all other matters connected with or incidental thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps including the power to sub-delegate the powers as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

Rajat Lakhanpal

VP (Corporate Compliance) &
Company Secretary
Membership No. A12725

Date : July 28, 2021
Place : Gurugram

NOTES

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details of material facts relating to the Special businesses to be transacted at this AGM, is annexed hereto.
2. In view of the continuing COVID-19 pandemic, Ministry of Corporate Affairs ("MCA"), vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 5, 2020 read together with Circular No. 02/2021 dated January 13, 2021 (collectively referred to as 'MCA Circulars') and SEBI vide its circular dated May 12, 2020 and January 15, 2021 (collectively referred to as 'SEBI Circulars') has permitted the Company to hold Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual means (OAVM).
3. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") read with the aforesaid MCA Circulars and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 50th AGM of the Company is being conducted through VC/OAVM. Deemed Venue for meeting will be Registered Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091.
4. National Securities Depository Limited (NSDL), will be providing facility for voting through remote e-voting, for participation in the 50th AGM through VC/OAVM facility and e-voting during the AGM.
5. Since, the meeting is being conducted through VC/OAVM, facility of appointing proxies to attend and vote at the meeting on behalf of the members of the Company is not available and hence the proxy form is not annexed to this notice. However, Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

Body Corporates who intend to authorize representatives to participate and vote on their behalf in the meeting to be held through VC/

OAVM are requested to send, in advance, a duly certified copy of the relevant board resolution/ letter of authority/power of attorney to the Scrutinizer by e-mail to arvindkohli@gmail.com and to the Company at cs@srf.com through its registered E-mail Address.

6. The attendance of members (members' login) attending the AGM through VC/ OAVM shall be reckoned for the purpose of Quorum under Section 103 of the Companies Act, 2013 and hence no attendance slip is attached to the notice.
7. Pursuant to the applicable provisions of the Companies Act 2013, unpaid/unclaimed dividends up to the financial year 2013-14, were transferred to the Investor Education & Protection Fund (IEPF). Besides the dividend so transferred, Company has also transferred the relative share scrips in respect of dividends which remained unpaid for a continuous period of seven years to the demat account of IEPF Authority, in accordance with the applicable provisions of Companies Act, 2013 and Rules made thereunder. It may be noted that once the unclaimed / unpaid dividend and/or shares are so transferred; the same can only be reclaimed by a shareholder from the IEPF Authority in accordance with the applicable provisions of the Companies Act 2013 and relevant Rules made thereunder by following the prescribed procedure in this regard. The IEPF Rules and the application Form (Form IEPF-5), as prescribed by the Ministry of Corporate Affairs, are available on the website of the Ministry of Corporate Affairs at www.iepf.gov.in. Details of the unpaid/ unclaimed dividend and shares transferred to IEPF from time to time also have been uploaded on the "Investors Section" of the website of the Company viz. www.srf.com.

Members, who have not encashed their dividend pertaining to financial year 2014-15 onwards, are advised to write at einward.ris@kfintech.com to M/s. Kfin Technologies Private Limited, Registrar of the Company immediately for claiming the same.

8. Members may utilize the facility extended by the Registrar for redressal of their queries including change of address, if any, by visiting at <https://karisma.kfintech.com/> and clicking on 'Investor Relations' section for query registration through free identity registration process. Members may also write at einward.ris@kfintech.com clearly mentioning their DP ID/ Client ID.
9. Members desiring any information/ clarification on the financial statements or any of the resolutions as detailed in the Notice are requested to write to the Company on or before 24th August, 2021 through an E-mail to cs@srf.com, specifying his/her name along with Demat account details. The same shall be replied by the Company suitably.
10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which directors are interested under Section 189 of the Companies Act, 2013, ESPS Certificate by Auditor dated 28th July, 2021 that SRF Limited Long term Share based Incentives Plan, 2018 has been implemented in accordance with said regulations and in accordance with the resolutions of the company passed through Postal Ballot on March 26, 2018 and all other documents mentioned in the Notice will be available for inspection in electronic mode during the Annual General Meeting. Members can inspect the same by sending an E-mail to cs@srf.com.
11. Pursuant to the MCA Circulars and SEBI Circulars, the Notice of the 50th AGM and the Annual Report for the financial year 2020-21 are being sent only by email to the Members whose name appear in the register of members/depositories as at closing hours of business on 30th July, 2021. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.srf.com, websites of the Stock Exchanges, that is, BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of NSDL, the e-voting agency at www.evoting.nsdl.com.
12. Those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 50th AGM and the Annual Report for the year 2020-21 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
 - a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address at cs@srf.com or to Registrar & Transfer Agent email address at Einward.ris@kfintech.com
 - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
13. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Company's Registrar.
14. In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form effective from 1st April 2019. In view of the above, members are advised to dematerialize their shares held by them in physical form. Members can also write to the Company's Registrar in this regard.
15. To prevent fraudulent transactions, members are advised to exercise due diligence and notify to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Company's Registrar of any change

in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

16. In case of joint holders attending the meeting, the members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and the provisions of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with MCA Circulars and SEBI Circulars, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 50th AGM and facility for those Members participating in the 50th AGM to cast vote through e-Voting system during the 50th AGM.
- II. The remote e-Voting period will commence on **August 28, 2021 (9:00 am IST)** and end on **August 30, 2021 (5:00 pm IST)**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **August 24, 2021**, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- III. Any person, who are other than individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode, who acquires shares of the Company and become member of the Company after dispatch of the notice and

holding shares as of the Cut-off date may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you could reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com. In case of Individual shareholders holding securities in Demat mode, who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as of the Cut-off date, are requested to follow the login method mentioned below in point (A) under e-Voting instructions.

The details of the process and manner for remote e-voting and voting during the AGM are explained here below:

Step 1 : Access to NSDL e-Voting system

Step 2 : Cast your vote electronically on NSDL e-Voting system

Details on Step 1 is mentioned below:

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, 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 in their Demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>A. NSDL IDeAS facility</p> <p>If you are already registered for NSDL IDeAS facility</p> <ol style="list-style-type: none"> Please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <p>If the user is not registered for IDeAS e-Services,</p> <ol style="list-style-type: none"> The option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Upon successful registration, please follow steps given at Point 1 to 5 above. <p>B. e-Voting website of NSDL</p> <ol style="list-style-type: none"> Visit e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider- NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode 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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting shareholders other than Individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in

at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 123456 then user ID is 123456001***

- Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on **"Forgot User Details/ Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM 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 system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to arvindkohli@gmail.com with a copy marked to evoting@nsdl.co.in and cs@srf.com.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in
4. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:
 - a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to evoting@nsdl.co.in or cs@srf.com

- b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to evoting@nsdl.co.in or cs@srf.com If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the 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 the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot

may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@srf.com from August 23, 2021 (9:00 am IST) to August 26, 2021 (5:00 pm IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
6. The Members can join the AGM through VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation in the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
17. Any person who acquires shares of the Company and becomes member of the Company post-dispatch of Notice of AGM along with the Annual Report before the Cut-Off Date may obtain the login ID and password by sending a request to NSDL at evoting@nsdl.co.in or at Company's email address at cs@srf.com. However if they are already registered with NSDL for remote e-Voting then they can use their existing user ID and password for casting their vote. If they forgot their password, they can reset their password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com

18. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the Cut-off Date.
19. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories, as on the cut-off date, only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
20. Mr. Arvind Kohli, (Membership No. FCS 4434, CP 2818) Practicing Company Secretary, Proprietor of M/s Arvind Kohli & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the entire e-voting process in a fair and transparent manner.
21. The results declared along with the report of the Scrutinizer shall be placed on the Company's website <https://www.srf.com> and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the concerned Stock Exchanges i.e. BSE and NSE.
22. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
23. In terms of SEBI Listing Regulations, application for: (i) Deletion of name of the deceased member(s) where the shares are held in the name of two or more member(s) (ii) Transmission of shares to the legal heir(s)/ representative(s), where deceased member was the sole holder of shares (iii) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more member has to be accompanied with a self-attested copy of their PAN along with the other required documents to the Company's Registrar irrespective of the value of the transaction. Members are requested to bear in mind the aforesaid requirements while communicating with the Company or Registrar for any of the purposes stated above. Section 72 of the Act, provides for Nomination by the members of the Company and the members are requested to avail this facility.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 & DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER LISTING REGULATIONS AND SECRETARIAL STANDARDS ON GENERAL MEETINGS

Item No 3

Mr. Kartik Bharat Ram (DIN: 00008557)

Shareholders had appointed Mr. Kartik Bharat Ram (DIN: 00008557) as Deputy Managing Director of the Company for a period of 5 years with effect from 01.06.2016 in the AGM held on 8th August, 2016.

At its meeting held on 21.01.2021, the Board of Directors subject to Members' approval had re-appointed Mr. Kartik Bharat Ram (DIN: 00008557) as Deputy Managing Director of the Company for a further period of 5 years with effect from 01 June 2021. Members' approval is sought for his re-appointment. The Company has received a notice under Section 160 from a member signifying his intention to propose the candidature of Mr. Kartik Bharat Ram at the forthcoming Annual General Meeting, copy of which is available on the website of the Company www.srf.com

The terms of his re-appointment and remuneration including minimum remuneration are set out in the resolution.

The information required by the Listing Regulations is given below:

Mr. Kartik Bharat Ram is involved in the creation and strengthening of a performance-based culture within the organization, through value-based leadership. He is also passionately involved in driving the aspirations of the company and an advocate on issues related to environmental responsibility and sustainability. With interests' that center on human motivation, leadership, corporate transformation and accountability, Mr. Kartik Bharat Ram has successfully shaped SRF into being a trusted corporate brand – one that is respected for its commitment to deliver sustainable growth through total excellence.

In addition, Mr. Kartik Bharat Ram is the Chairman of KAMA Holdings, which is the holding Company of SRF Limited. He also serves as a Director of Shri Educare Limited, a company in the school education consultancy space. He is a fellow of the India Leadership Initiative, Aspen Institute India. In the

past, he has served as the President of the Indian Blind Sports Association and as the Chairman of the Confederation of Indian Industry (CII) Delhi State Council for the year 2007-08.

Mr. Kartik Bharat Ram is a graduate from Santa Clara University, California and has earned an MBA from Cornell University, New York. He is an avid golfer and winner of multiple pro-am Golf tournaments.

Mr. Kartik Bharat Ram (DIN: 00008557) has no shareholding in the Company. Mr. Kartik Bharat Ram is a member of Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Committee of Directors – Financial Resources and Risk Management Committee of the Company.

Directorships in other Public companies	Committee Membership
KAMA Holdings Limited	<ul style="list-style-type: none"> Stakeholders Relationship Committee Committee of Directors Financial Resources Risk Management Committee
Shri Educare Limited	Nil

None of the Directors or Key Managerial Personnel or their relatives except Mr. Kartik Bharat Ram himself, Mr. Arun Bharat Ram, Chairman and Mr. Ashish Bharat Ram, Managing Director, are in any way concerned or interested, financially or otherwise, in the Resolution.

In view the above, the Board of Directors recommend the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the members.

Item No. 4

Mr. Arun Bharat Ram has expressed his intention to step down as Executive Chairman and Director of the Company from the closing of business hours on March 31, 2022.

Mr. Arun Bharat Ram joined the Board of the Company in 1975 and has been instrumental to the spectacular success of the Company and the Group over the last five decades. Considering his tremendous experience, it would be in the interest of the Company to continue to benefit from his rich experience, valuable knowledge and wisdom from time to time in a role of the mentor to the Board of Directors.

In light of the above and in recognition of his services, the Board at its meeting held on July 28, 2021, on the recommendation of Nomination and Remuneration Committee and with approval by the Audit Committee recommend to the shareholders to confer upon Mr. Arun Bharat Ram, the status and title of Chairman Emeritus of the Company for a term of five years with effect from April 1, 2022. He will, inter alia, mentor and guide the Board and management including in relation to business strategy, corporate governance related matters and supporting in nurturing relationships with external forums on policy matters and in brand/ image building of the Company apart from advising the Board of Directors on any other areas that the Board/ Management may seek his advice. Further, he will be a permanent invitee to the Board and such other Committee meetings of the Company as may be decided by the Board. If he attends any of the Board/Committee, it shall be in capacity as an invitee only, with no voting rights. Mr. Arun Bharat Ram, as the Chairman Emeritus shall not be deemed to be a director for any purposes of the Act or any other statute or rules made thereunder.

Mr. Arun Bharat Ram, being the father of Mr. Ashish Bharat Ram, the Managing Director of the Company and Mr. Kartik Bharat Ram, Deputy Managing Director of the Company, is a "related party" in relation to the Company in terms of the Act. Accordingly, the payments to be made and facilities to be provided to Mr. Arun Bharat Ram in his capacity as Chairman Emeritus, are related party transactions, and therefore, require shareholders' approval in accordance with the provisions of Section 188 of the Act. This transaction is not a material related party transaction in terms of Regulation 23 of the Listing Regulations.

Mr. Arun Bharat Ram, aged 80 years is B. Sc. in Industrial Engineering from the University of Michigan, USA. He set up SRF in 1970 and it is under the stewardship of Mr. Arun Bharat Ram that the Company has achieved all round growth and made for itself a reputation in the core areas of its business.

Mr. Arun Bharat Ram, Chairman of SRF Limited completed his schooling from The Doon School, India, which has been consistently ranked the best all-boys residential school in India. He then went on to acquire Vor-Diploma from the Technical University of Darmstadt, Germany and later graduated in Industrial Engineering from the University of Michigan, Ann Arbor, USA.

As Chairman of SRF Limited, Mr. Arun Bharat Ram is credited with turning his family owned multi-business organization into a world class conglomerate. Today, SRF's business portfolio covers Fluorochemicals, Specialty Chemicals, Packaging Films, Technical Textiles, Coated and Laminated Fabrics.

Mr. Arun Bharat Ram also serves as the Chairman of SRF Foundation. SRF Foundation runs one of the largest community programs in the country, imparting education and vocational training programs to underprivileged children and youth by improving the infrastructure facilities in Government schools,

promoting computer-aided learning, and through the digital inclusion of communities. Apart from providing "Quality Education to All", the Foundation also works in the areas of creating awareness on issues related to health and hygiene, natural resource management and affirmative action on a sustainable basis.

He is also the Chairman of Lady Shri Ram College for Women in Delhi and The Shri Ram Schools in Delhi and Gurgaon.

A keen musician, having learnt under the renowned maestro, Bharat Ratna Pt. Ravi Shankar, he is an accomplished sitar player.

Information required to be disclosed pursuant to Rule 15 of the Companies (Meetings of the Boards and its Powers) Rules, 2014:-

1.	Name of Related Party	Mr. Arun Bharat Ram
2.	Name of Director or KMP who is related, if any.	Mr. Ashish Bharat Ram, Managing Director Mr. Kartik Bharat Ram, Deputy Managing Director
3.	Nature of relationship	Mr. Arun Bharat Ram is the father of Mr. Ashish Bharat Ram and Mr. Kartik Bharat Ram
4.	Nature, material terms, monetary value of the contract or arrangement	

Nature of the Arrangement

Mr. Arun Bharat Ram shall act as a mentor and guide to the Board of Directors/Management in the matters relating to :-

- Business Strategy
- Corporate Governance
- Supporting in nurturing relationships with external forums on policy matters
- Brand and image building for the Company
- Advice to the Board/Management in such other matters as may be requested, from time to time.

Material Terms

The appointment, if approved by the members, shall be effective from 1st April, 2022 for a period of 5 years. The appointment can be terminated by either party by giving a prior notice of 3 months to the other party.

Monetary Terms

- Payment of Fee/ Remuneration : ₹ 60 lacs p.a.
- Perquisites and Allowances : For housing and maintenance, medical expenses & insurance reimbursement, leave travel, personal accident insurance, car expenses etc. not exceeding ₹ 90 lacs p.a.
- Reimbursements : All the expenses incurred on travelling, boarding, lodging, club, entertainment and other incidental expenses while providing the services for or on behalf of the Company shall be reimbursed on actual basis.
- Facilities : Mr. Arun Bharat Ram shall be provided requisite office, communication and such other facilities as required to effectively discharge his duties.

5.	Any other information relevant or important for the members to take a decision on the proposed resolution.	<ul style="list-style-type: none"> • Mr. Arun Bharat Ram is promoter of the company and having shareholding interest in the company besides the remuneration proposed as "Chairman Emeritus". • Entities falling under the definition of related parties shall not vote to approve this transaction.
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The Board recommends the Resolution at Item No. 4 to be passed as an Ordinary resolution.

None of the Directors or Key Managerial Personnel (KMP) or their relatives except Mr. Arun Bharat Ram himself and Mr. Ashish Bharat Ram, Managing Director and Mr. Kartik Bharat Ram, Deputy Managing Director who are his sons, are in any way concerned or interested, financially or otherwise, in the Resolution.

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditors to conduct audit of the cost records of the Company for the financial year ending March 31, 2022 at the remuneration as provided in the resolution.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

None of the Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

Both the cost auditors had rendered satisfactory service during their last tenure, therefore the Board of Directors recommends Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

Item No. 6

As per the provisions of Section 42 of the Companies Act, 2013 read with Companies (Prospectus and allotment of Securities) Rules, 2014, private placement of redeemable, non-convertible debentures requires approval of shareholders by way of special resolution. However, the Company may pass a special resolution once in a year for all the offers or invitation for such debentures during the year.

In order to provide for resources for financing of capital expenditure requirements, re-financing of existing debt, general corporate purposes and such other purposes of the Company as are allowed by the applicable laws, the Company may be required to offer or invite subscription for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches on private placement. Further, SEBI circular dated 26.11.2018 require that 25% of the incremental borrowings by a large corporate (as defined in that circular) during a financial year shall be met by way of issuance of debt securities in accordance with applicable SEBI regulations.

Pricing of debentures is determined and impacted by general economic conditions and monetary policy, Company specific rating and outlook of the investor on the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

In view of the above, the Board of Directors recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the members authorising the Board to issue redeemable, non-convertible Debentures by private placement for an aggregate amount not exceeding ₹ 1500 crores, in one or more tranches, during the period of one year from the date of this Annual General Meeting.

IMPORTANT COMMUNICATION TO MEMBERS

The members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Registrar & Transfer agent M/s KFin Technologies Pvt. Ltd.



BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 50th Annual Report for the year ended March 31, 2021.

Financial Results

Particulars	(₹ in Crores)			
	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	6,988.32	6,330.84	8,400.04	7,209.41
Other income	63.30	53.29	66.35	49.05
Total Income	7,051.62	6,384.13	8,466.39	7,258.46
Profit Before Interest, Depreciation & Tax (PBIDT)	1,804.78	1,315.80	2,199.68	1,503.99
Less: Interest & Finance Charge	111.21	182.11	133.95	200.68
Less: Depreciation and amortisation charge	383.60	353.21	453.08	388.61
Profit Before Tax (PBT) from continuing operations	1,309.97	780.48	1,612.65	914.70
Less: Provision For Taxation including Deferred Tax Charge	384.91	(13.11)	414.40	(1.20)
Profit After Taxation (PAT) from continuing operations	925.06	793.59	1,198.25	915.90
Profit Before Tax (PBT) from discontinued operations*	-	241.82	(2.73)	155.85
Less: Provision For Taxation including Deferred Tax Charge	-	61.23	(2.42)	52.66
Profit After Taxation (PAT) from discontinued operations	-	180.59	(0.31)	103.19
Total Profit After Taxation (PAT) from continuing and discontinued operations	925.06	974.18	1,197.94	1,019.09
Add: Profit Brought Forward	3,828.76	2,956.92	4,117.69	3,201.00
Total	4,753.82	3,931.10	5,315.63	4,220.09

Appropriation

Particulars	(₹ in Crores)			
	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Interim dividend on Equity Shares	141.31	80.47	141.31	80.47
Corporate Tax on Dividend	-	16.54	-	16.54
Other comprehensive income arising from re-measurement of defined benefit obligation	(1.57)	5.33	(1.84)	5.39
Amount transferred to Debenture Redemption Reserve	62.50	-	62.50	-
Profit carried to Balance Sheet	4,551.58	3,828.76	5,113.66	4,117.69

Equity Dividend

During the year, your Company has paid two interim dividends of ₹ 5 per share and ₹ 19 per share aggregating to ₹ 24 per share, amounting to ₹ 141.31 Crores. The Board of Directors of the Company has not recommended any final dividend.

Operations Review

Total revenue from operations of the Company on standalone basis increased by 10.38 per cent from ₹ 6330.84 Crores in 2019-20 to ₹ 6988.32 Crores in 2020-21. The profit before interest, depreciation and tax (PBIDT) including 'other income' on a standalone basis increased from ₹ 1315.80 Crores in 2019-20 to ₹ 1804.78 Crores in 2020-21.

Profit before tax (PBT) from continuing operations on a standalone basis increased by 67.84 per cent from ₹ 780.48 Crores in 2019-20 to ₹ 1309.97 Crores in 2020-21. After accounting for the provision for tax of ₹ 384.91 Crores, profit after tax (PAT) on continuing operations on a standalone basis increased by 16.56 per cent from ₹ 793.59 Crores in 2019-20 to ₹ 925.06 Crores in 2020-21.

Total revenue from operations of the Company on consolidated basis increased by 16.51 per cent from ₹ 7209.41 Crores in 2019-20 to ₹ 8400.04 Crores in 2020-21. The profit before interest, depreciation and tax (PBIDT) including 'other income' on a consolidated basis increased from ₹ 1503.09 Crores in 2019-20 to ₹ 2199.68 Crores in 2020-21.

Profit before tax (PBT) from continuing operations on a consolidated basis increased by 76.30 per cent from ₹ 914.70 Crores in 2019-20 to ₹ 1612.65 Crores in 2020-21. After accounting for the provision for tax of

₹ 414.40 Crores, profit after tax (PAT) on continuing operations on a consolidated basis increased by 30.89 per cent from ₹ 915.90 Crores in 2019-20 to ₹ 1198.25 Crores in 2020-21.

Transfer to Reserves

In view of the statutory provisions of the Companies Act, 2013 the Board of Directors has decided not to transfer any amount to the reserves consequent to declaration of dividend.

Qualified Institutional Placement (QIP)

During the year the Company allotted 1764705 equity shares through Qualified Institutional Placement (QIP) at an issue price of ₹ 4250 per equity share (including a premium of ₹ 4240 per equity share) aggregating to ₹ 750 crore on October 17, 2020. Pursuant to the said allotment the paid up equity capital of the Company increased from ₹ 574805000 divided into 57480500 shares of ₹ 10 each to ₹ 592452050 divided into 59245205 shares of ₹ 10 each. Details of utilization of QIP proceeds are given in Corporate Governance Report which forms part of the Board's Report.

Non-Convertible Debentures (NCD)

During the year the Company allotted Listed, Rated, Secured, Taxable, Redeemable, Non-Convertible Debentures of ₹ 250 Crores on September 17, 2020 with maturity date of September 16, 2022.

Management Discussion and Analysis

A detailed section on the Management Discussion and Analysis forms part of the Annual Report. A review of the Businesses is also given in that section.

ESG Report

The Company has voluntarily decided to disclose the Environment, Social and Governance Initiatives taken by it from time to time in a ESG Report for

FY 2020-21 which forms part of the Annual Report. As stipulated under the Securities and Exchange Board of India (LODR) Regulations, 2015 ("Listing Regulations"), the Business Responsibility Report has been prepared for 2020-21 and is presented along with the above ESG Report.

Subsidiaries, Joint Ventures and Associate companies

As on March 31, 2021, your Company had 6 (six) wholly owned subsidiary companies whereby 1 (one) wholly owned subsidiary company is registered in India and remaining 5 (five) are registered outside India. 2 (two) of these are direct wholly owned subsidiaries and rest 4 (four) are step-down wholly owned subsidiaries. The consolidated profit and loss account for the period ended March 31, 2021 includes the profit and loss account for these 6 (six) wholly owned subsidiaries for the complete Financial Year ended March 31, 2021.

These subsidiaries are:-

1. SRF Global B.V. is a wholly owned subsidiary of the Company incorporated in the Netherlands. This entity is an SPV formed for the purpose of holding investments and mobilizing funds for the 4 (four) step-down subsidiaries of the Company.
2. SRF Industries (Thailand) Ltd. (a wholly owned subsidiary of SRF Global BV) is incorporated in Thailand engaged in the manufacture and distribution of packaging films.
3. SRF Flexipak (South Africa) (Pty) Ltd. (a wholly owned subsidiary of SRF Global BV) is incorporated in South Africa engaged in manufacture and distribution of packaging films.
4. SRF Industex Belting (Pty) Ltd. (a wholly owned subsidiary of SRF Global BV) is incorporated in South Africa presently in the business of trading in refrigerant gases in South Africa and other neighbouring countries.
5. SRF Europe Kft (a wholly owned subsidiary of SRF Global BV) is incorporated in Hungary to undertake the manufacture of packaging films in Hungary.
6. SRF Holiday Home Ltd. is a wholly owned subsidiary of the Company incorporated in India.

This company is engaged in the business of acquisition and renting of real estate properties.

The consolidated financial statements of the Company prepared in compliance with applicable Accounting Standards and other applicable laws including all the above subsidiaries duly audited by the statutory auditors are presented in the Annual Report.

No subsidiaries were divested during the year. No company has become/ceased to be a joint venture or associate during the year. A report on performance and financial position of each of the subsidiaries and associates is presented in a separate section in this Annual Report. Please refer (AOC-1) annexed to the financial statements in the Annual Report at page no. 348. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link:

<https://www.srf.com/wp-content/uploads/2021/04/2019-02-04-SRF-Ltds-policy-on-dealing-with-Related-Party-Transactions.pdf>

The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and of respective subsidiary companies. Further, the annual accounts of the subsidiaries are also available on the website of the Company viz. www.srf.com

Directors & Key Managerial Personnel

Dr. Meenakshi Gopinath, Director CSR, is retiring by rotation and has expressed her intention not to seek re-appointment. Your Board places on record its sincere appreciation for the contribution made by her during her tenure.

Mr. Arun Bharat Ram has expressed his intention to step down as Executive Chairman and Director of the Company from the closing hours on March 31, 2022.

Mr. Arun Bharat Ram joined the Board of the Company in 1975 and has been instrumental to the spectacular success of the Company and the Group over the last five decades. Considering his tremendous experience, it would be in the interest of the Company to continue to benefit from his rich experience, valuable knowledge and wisdom from time to time in a role of the mentor to the Board of Directors.

In light of the above and in recognition of his services, the Board at its meeting held on July 28, 2021, on the recommendation of Nomination and Remuneration Committee and with approval by the Audit Committee recommend to the shareholders to confer Mr. Arun Bharat Ram, the status and title of Chairman Emeritus of the Company for a term of five years with effect from April 01, 2022 on the terms and conditions as stated in the resolution contained in the notice of the 50th annual general meeting.

All the Independent Director(s) have submitted the declaration of meeting the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and rules applicable thereunder and as per the SEBI Regulations. They are also independent of the management.

The Board confirms that independent directors appointed during the year possess the desired integrity, expertise and experience. The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. Some of the Directors are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA and the remaining have been advised to undergo the Online Proficiency Test as prescribed under Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended.

During the year, the board has re-appointed Mr. Kartik Bharat Ram as Deputy Managing Director and resolutions for his re-appointment form part of the notice for the AGM. The Board recommends for his re-appointment. His resume is furnished in the explanatory statement to the notice of the ensuing Annual General Meeting.

In accordance with the requirements of the Companies Act and the Listing Regulations, the Company has formulated a Nomination, Appointment and Remuneration Policy. A copy of the Policy is enclosed as Annexure I and on the website of the Company at the link: <https://www.srf.com/wp-content/uploads/2021/04/2019-02-04-SRF-NRC-Policy.pdf>

In accordance with the aforesaid Policy, the Nomination and Remuneration Committee evaluates the performance of the Executive Directors, Non-Independent non-executive Director and Independent Directors. Board evaluates, its own performance on criteria like discharge of duties and responsibilities under the Companies Act and Listing Regulations, fulfilment of its role with respect to guiding corporate strategy, risk policy, business plans, corporate performance, monitoring company's governance practices etc. and number of meetings held during the year and the performance of its Committees on the criteria like fulfilment of role of the Committee with reference to its terms of reference, the Companies Act and the Listing Regulations and the number of committee meetings held during the year.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link <https://www.srf.com/wp-content/uploads/2021/04/2021-Familiarisation-programme-for-Independent-Directors-v2.pdf>

During the year 2020-21, five meetings of the Board of Directors were held. For further details, please refer to report on Corporate Governance on page no. 135 of this Annual Report.

Directors' Responsibility Statement

Pursuant to the requirements of Section 134(3)(c) of the Companies Act, 2013, it is hereby confirmed that :

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively ; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Contracts and Arrangements with Related Parties

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arms' length basis and in accordance with the Transfer Pricing Policy/basis approved by the Audit Committee and/or in accordance with the Omnibus approval of the Audit Committee. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Policy on Materiality of Related Party Transactions. Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 ('the Act') in Form No. AOC-2 is not applicable to the Company for FY 2020-21 and hence the same is not provided.

Your Directors draw attention of the members to Note 32 to the notes to accounts forming part of the financial statements which sets out related party transaction disclosures.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities provided alongwith the purpose for which the loan or guarantee or security was proposed to be utilised by the recipient are provided in the standalone financial statement (Please refer to Note 41(d) of Additional Disclosures forming part of the standalone financial statement).

Corporate Social Responsibility (CSR)

As per the requirements of the Companies Act, 2013, the Company has a Corporate Social Responsibility Committee comprising of Dr. Meenakshi Gopinath,

Director (CSR) (Chairperson of the Committee), Mr. Arun Bharat Ram, Chairman of the Company, Mr. Kartik Bharat Ram, Deputy Managing Director and Mr. Lakshman Lakshminarayan, Independent Director as other members.

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the projects to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link <https://www.srf.com/wp-content/uploads/2021/04/25032021-Final-SRF-Corporate-Social-Responsibility-policy.pdf>

The Company would also undertake other need-based initiatives in compliance with Schedule VII to the Act.

During the year, the provisions of Companies Act 2013 were amended and consequently the Annual Budget for CSR for financial year ended March 31, 2021 was recomputed to ₹ 12.88 Crores. Out of this, total spending on CSR during the year is ₹ 10.18 Crores and the remaining amount of ₹ 2.70 Crores has been earmarked for ongoing projects which commenced during the year. Accordingly, the said amount of ₹ 2.70 Crores was transferred to a separate SRF Limited-Unspent CSR Account- 2020-21 to be spent on ongoing projects. Annual Report on CSR activities is annexed herewith as Annexure II.

Risk Management

Enterprise Risk Management is a risk based approach to manage an enterprise, identifying events that may affect the entity and manage risks to provide reasonable assurance regarding achievement of entity's objective.

The risks identified by the Company broadly fall into the following categories viz. strategic risks, operational risks, regulatory risks, financial and reporting risks, and IT & Cyber risks. The risk management process consists of risk identification, risk assessment, risk prioritization, risk treatment or mitigation, risk monitoring and documenting the new risks.

Your Board has laid down a risk management framework and policy to address the above risks. The objective of the policy is to identify existing & emerging challenges

that may adversely affect the company and manage risks in order to provide reasonable assurance to the various stakeholders. In the opinion of your Board, none of the risks which have been identified may threaten the existence of the Company.

The Board has constituted Risk Management Committee consisting of Mr. Ashish Bharat Ram as Chairman, Mr. Kartik Bharat Ram and Ms. Bharti Gupta Ramola as members of the Committee.

Internal Financial Controls

The Company believes that Internal Control is a necessary concomitant of the principle of Governance. It remains committed to ensuring an effective Internal Control environment that provides assurance to the Board of Directors, Audit Committee and the management that there is a structured system for:

- close and active supervision by the Audit Committee
- business planning and review of goals achieved
- evaluating & managing risks
- policies and procedures adopted for ensuring orderly Financial Reporting
- timely preparation of reliable Financial Information
- accuracy and completeness of the Accounting Records
- ensuring legal and regulatory compliance
- protecting company's assets
- prevention and detection of fraud and error
- validation of IT Security Controls
- Entity Level Controls

Interrelated control systems, covering all financial and operating functions, assure fulfilment of these objectives.

Significant features of these control systems include:

- the planning system that ensures drawing up of challenging goals and formulation of detailed strategies and action plans for achieving these goals.
- the risk assessment system that accounts for all likely threats to the achievement of the plans, and draws up contingency plans to mitigate them.

- the review systems track the progress of the plan and ensure that timely remedial measures are taken, to minimise deviations from the plan.

The Company uses Enterprise Resource Planning (ERP) supported by in-built controls that ensures reliable and timely financial reporting. Well-established & robust internal audit processes, both at the Corporate and the Business levels, continuously monitor the adequacy and effectiveness of the Internal Controls and status of compliance with operating systems, internal policies and regulatory requirements. All Internal Audit findings and control systems are periodically reviewed by the Audit Committee of the Board of Directors, which provides strategic guidance on Internal Controls.

The Company also has a robust & comprehensive framework of Control Self-Assessment (CSA) which continuously verifies compliance with laid down policies & procedures and help plug control gaps, CSA comprises Automated and Manual Controls. CSA Assurance Testing completes the control compliance loop. In addition to this, Compliance Manager (CM) a facilitating tool sends pre-emptive alert to meet specific calendared regulatory deadlines in the company.

Listing of Equity Shares

SRF's equity shares are listed at the BSE Ltd. and the National Stock Exchange of India Ltd.

SRF Limited Long term Share based Incentives Plan, 2018

During the year, no equity shares were allotted under SRF Limited Long Term Share Based Incentive Plan, 2018 to eligible employees.. There has been no change in the said Plan. The said Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. In Compliance with Circular dated June 16, 2015 issued by SEBI under the said Regulations, necessary disclosures are given below:

- a. In terms of the "Guidance Note on accounting for employee share based payments" issued by ICAI and Ind AS 102, note no. 34 on Employee Share Based Payments forms part of the notes to standalone annual accounts appearing on page no. 227 of the Annual Report 2020-21. Note No. 1.B.17 forming part of the Accounting Policies which refers to this is also appearing on page

no. 180 of the Annual Report 2020-21. The same are also reproduced in the "Investors Section" of the website (www.srf.com). The weblink for the same is <https://www.srf.com/investors/corporate-governance/>

- b. During financial year 2018-19, shares under Part B- SRF ESPS, 2018 of the SRF Long Term Share Incentive Plan, 2018 were issued directly to the eligible employees as decided by the Board/ Nomination and Remuneration Committee of the Company. Hence, the diluted EPS and basic EPS for this year are the same. Basic EPS for 2020-21 from continuing and discontinued operations was ₹ 158.72 per Share.

- c. Other Disclosures mandated by the said circular are given in Annexure III.

Certificate from the Auditors of the Company dated July 28, 2021 that SRF Limited Employees Long term Share Based Incentive Plan, 2018 has been implemented in accordance with these regulations and in accordance with the resolution of the company shall be placed in the forthcoming Annual general meeting.

Dividend Distribution Policy

In compliance with the Listing Regulations, your Board had formulated a Dividend Distribution Policy. A copy of the said policy is available on the website of the Company at <https://www.srf.com/wp-content/uploads/2020/11/Dividend-Distribution-Policy.pdf>

Corporate Governance

Certificate of the auditors of your Company regarding compliance of the conditions of corporate governance as stipulated in regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the report as Annexure IV.

In compliance with the requirements of the regulation 17(8) of the aforesaid regulations, a certificate from Managing Director and President & CFO was placed before the Board.

All Board members and Corporate Leadership Team (CLT) have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by the Managing Director is enclosed as a part of

the Corporate Governance Report. A copy of the Code is also placed at the website of the Company at <https://www.srf.com/wp-content/uploads/2020/11/Code-of-Conduct-for-Directors-and-Senior-Management-Personnel.pdf>

Consolidated Financial Statement

The consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant amendments issued thereafter of the Act.

Audit Committee

As on March 31, 2021 the Audit Committee comprises of Independent Directors namely, Mr. Lakshman Lakshminarayan (Chairman of the Committee), Mr. Vellayan Subbiah and Ms. Bharti Gupta Ramola as other members. All the recommendations made by the Audit Committee were accepted by the Board.

Accounts and Audit

M/s BSR & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) were appointed as Statutory Auditors for 5 years in 47th annual general meeting to hold office from the conclusion of 47th Annual General Meeting until the conclusion of 52nd annual general meeting.

The observations of the auditors are explained wherever necessary in appropriate notes to the accounts. The Auditors Report does not contain any qualification, reservation, adverse remark or disclaimer.

Vigil Mechanism

In compliance with the provisions of the Companies Act, 2013 and Listing Regulations, the company has established a vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct.

The Vigil Mechanism of the Company consists of Code of Conduct for employees, Policy against sexual harassment, Whistleblower Policy, Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Conduct for Directors and Sr. Management Personnel. These taken together constitute the vigil mechanism through which Directors, employees and other stakeholders can

voice their concerns. The Whistle blower Policy, Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Conduct for Directors and Sr. Management Personnel can be accessed on the Company's website at the link: <https://www.srf.com/investors/corporate-governance/>

Cost Audit

Pursuant to various circulars issued by Ministry of Corporate Affairs, the Company is required to maintain cost records for all the products being manufactured by it and get the same audited by a cost auditor.

M/s. H. Tara & Co., Cost Accountants, was appointed to conduct cost audit of the accounts maintained by the Company for the financial year 2021-22 in respect of all the relevant product groups of Technical Textiles Business and other Businesses of the Company.

M/s. Sanjay Gupta & Associates, Cost Accountant, was appointed to conduct cost audit of the accounts maintained by the Company for the financial year 2021-22 in respect of all the relevant product groups of Chemicals Business and Packaging Films Business of the Company.

M/s. Sanjay Gupta & Associates, Cost Accountant was nominated as the Company's Lead Cost Auditor.

The remuneration of the cost auditors for financial year 2021-22 is subject to ratification by the shareholders. Accordingly a suitable item has been included in the notice of the ensuing annual general meeting.

The Cost Audit reports for audit of the said products for the financial year 2019-20, conducted by M/s. H. Tara, Cost Accountants (M. No. 17321) and M/s Sanjay Gupta & Associates, Cost Accountants (M. No. 18672), have been filed with the Ministry of Corporate Affairs on August 28, 2020. The due date for filing was August 29, 2020.

Secretarial Auditor

The Board has appointed M/s Sanjay Grover & Associates, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith as Annexure V to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, Secretarial Compliance Report dated May 19, 2021 issued as per SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 was given by M/s Sanjay Grover & Associates, Practising Company Secretary which was submitted to Stock Exchanges.

Reporting of Fraud

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees, to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Report.

Responding to an Unprecedented Challenge: The COVID-19 Pandemic

FY 2020-21 was an unprecedented year with COVID-19 Pandemic impacting the globe and global supply chains, amidst the biggest health crisis ever faced by the world. In order to respond to the pandemic effectively, SRF navigated through these difficult times by developing and adopting a multi-pronged strategy. While the disruption in operations due to the COVID-19 related nationwide lockdown weighed on the overall performance, the company demonstrated agility in the expeditious resumption of manufacturing, keeping all safety measures into consideration as well as the supply chain and distribution operations to support the customer requirements efficiently.

The company practised extreme care and caution towards safeguarding the health and well-being of its employees and partners. The company adhered to various guidelines and advisories issued by the authorities from time-to-time including maintaining social distancing at all its plant operations. In addition to the employees and partners, looking after the communities has been of paramount importance to the company.

Personnel

The statement containing names of top ten employees in terms of remuneration drawn and the particulars employees as required under section 197 (12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said Annexure is open for inspection at the registered office

of the Company during business hours on working days upto the date of ensuing general meeting. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure VI.

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

The details as required under the Companies (Accounts) Rules, 2014 are given as Annexure VII to the Directors' report.

Annual Return

The Annual Return (MGT-7) of the Company as on 31.03.2021 is available on the following web link: <https://www.srf.com/investors/corporate-governance/>

Industrial Relations

The Company continued to generally maintain harmonious and cordial relations with its workers in all its businesses.

Secretarial Standards

Applicable Secretarial Standards, i.e. SS-1 SS-2 and SS-3, relating to 'Meeting of the Board of Directors' 'General Meetings' and 'Dividend' respectively, have been duly followed by the Company.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there was no transactions on these items during the year under review :-

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Neither the Chairman, Managing/Deputy Managing Director nor Whole-time Director received any remuneration or commission from any of the Company's subsidiaries.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). During the year, no complaint was received.

Acknowledgements

Your Directors acknowledge with gratitude the co-operation and assistance received from various agencies of the Central Government and the Governments of Madhya Pradesh, Rajasthan, Tamil Nadu, Gujarat, Uttarakhand, financial institutions and banks. Your Directors thank the shareholders for their continued support. Your Directors also place on record their appreciation of the contribution made by employees at all levels.

For **and on Behalf of the Board**

Arun Bharat Ram

Date: July 28, 2021
Place: New Delhi

Chairman
(DIN – 00694766)

ANNEXURE I TO BOARD'S REPORT

Nomination, Appointment and Remuneration Policy

A. Introduction

This Policy on Nomination, Appointment and Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and Other Employees has been formulated and amended from time to time in accordance with the provisions of Section 178 of the Companies Act, 2013 (the Act) and the Listing Regulations by the Nomination and Remuneration Committee of the Directors of the Company.

B. Definitions

Directors :	Directors (other than Managing Director(s) and Whole-time Director(s)) appointed under the provisions of the Companies Act, 2013 and rules made thereunder.
Key Managerial Personnel	Managing Director(s), Whole-time Director(s), Chief Executive Officers of the businesses of the Company reporting to the Managing Director, Chief Financial Officer and Company Secretary.
Senior Management Personnel	Members of the Corporate Leadership Team of the Company (excluding Executive Directors), Chief Financial Officer and Company Secretary
Other Employees	Employees other than Key Managerial Personnel and Senior Management Personnel.

The terms "He" or "his" as mentioned in this Policy includes any gender.

C. Terms of Reference

The Board of Directors of the Company at its meeting held on May 09, 2014 reconstituted the existing Remuneration Committee of Directors as "Nomination and Remuneration Committee" of Directors (the Committee). The terms of reference the Committee are as follows :-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Formulation of policies for remuneration to Directors, Key Managerial Personnel, Sr. Management Personnel and Other Employees.
- Identification and recommendation to Board of persons who are qualified to become Directors, Key Managerial Personnel and Sr. Management Personnel in accordance with the criteria laid down.

- Recommend to the Board on appointment and removal of Directors, Key Managerial Personnel and Sr. Management Personnel.
- Evaluation of the performance of Directors (other than independent directors).
- Evaluation of the performance of independent directors and make recommendations to Board.
- To oversee succession planning for Board of Directors, Key Managerial Personnel and Senior Management Personnel.
- Formulation of criteria for making payment to non-executive Directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

D. Criteria for recommending a person to become Director

The Committee shall take into consideration the following criteria of qualification, positive attributes and independence for recommending to the Board for appointment of a Director:-

1. Qualification & Experience

The incumbent shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales & marketing, operations, research, corporate governance, education, community service or other disciplines.

2. Attributes/Qualities

The incumbent Director shall possess one or more of the following attributes/qualities :-

- Respect for and strong willingness to imbibe the Company's Core Values.
- Honesty and Professional integrity.
- Strategic capability with business vision.
- Entrepreneurial spirit and track record of achievement.
- Ability to be independent
- Capable of lateral thinking.
- Reasonable financial expertise.
- Association in the fields of business/corporate world/Finance/education/community service/Chambers of Commerce & industry.
- Effective review and challenge to the performance of management.

3. In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the provisions of the Act, Listing Regulations and other applicable laws and regulations.

4. The incumbent should not be disqualified for appointment as a Director pursuant to the provisions of the Act or other applicable laws & regulations.

E. Directors' Remuneration

The Committee will approve the fixed remuneration to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. Commission to the Executive Directors, if any, will be recommended by the Committee to the Board for approval. The Committee/Board shall periodically review the remuneration of

such Directors in relation to other comparable companies and other factors like performance of the Company etc. as deemed appropriate.

The Committee will recommend to the Board appropriate fees / commission to the non-executive directors for its approval. The Committee / Board shall inter alia, consider level of remuneration /commission payable by other comparable companies, time devoted, experience, providing guidance on strategic matters and such other factors as it may deem fit.

F. Evaluation

Performance evaluation of Executive Directors, Non-executive Directors, Independent Directors, Board as a whole, Board Committees and their members and Chairman shall be carried out in following manner:

a) Performance evaluation of all individual Directors: It shall be done annually by the Nomination and Remuneration Committee (NRC) as per the structure of performance evaluation (as per Annexure I & II). The outcome of the evaluation shall be shared by the Chairman of NRC with the Board.

b) Performance evaluation of Independent Directors: It shall be done, annually and at the time of their re-appointment, by NRC for deciding whether to extend or continue the term of appointment of independent directors. Based upon the recommendations of the NRC, the Board of Directors shall decide to continue their appointment or consider them for reappointment.

The performance evaluation of independent directors, in addition to feedback received from NRC, shall be done by the entire Board of Directors, excluding the director being evaluated as per the structure of performance evaluation (as per Annexure II).

c) Performance evaluation of the Board of Directors: Board shall evaluate its own performance on criteria like discharge of duties and responsibilities under the Companies Act and Listing Regulations,

fulfillment of its role with respect to guiding corporate strategy, risk policy, business plans, corporate performance, monitoring company's governance practices etc. and number of meetings held during the year as specified in annexure III (Part - A).

d) Performance evaluation of Board Committees: The Board shall review the performance of all its committees annually on criteria for evaluation as specified in annexure III (Part - B).

e) Performance evaluation by independent directors at their separate meeting : The Independent Directors in their separate meeting shall review performance of non-independent directors, Board as a whole, the Chairman of the company, taking into account the views of executive directors and non-executive directors;

The Chairman of meeting of Independent Directors or one selected by independent Directors shall share outcome of their abovementioned evaluations with the Chairman of the Board.

Chairman of the Board shall be responsible for giving feedback as and when required as a result of performance evaluation above and guide on preparation of a suitable action plan, if required.

G. Board Diversity

The Committee will review from time to time Board diversity to bring in professional experience in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy, education, community service and human resource management in the Company. The Company will keep succession planning and Board diversity in mind in recommending any new name of Director for appointment to the Board.

H. Eligibility criteria & Remuneration of Key Managerial Personnel, Senior Management Personnel and Other Employees

The eligibility criteria for appointment of Key Managerial Personnel, Senior Management

Personnel and Other Employees shall be in accordance with the job description of the relevant position.

In particular, the position of Key Managerial Personnel should be filled by senior personnel having relevant qualifications and experience.

Remuneration Structure

i) Key Managerial Personnel and Senior Management Personnel

The remuneration structure for Key Managerial Personnel and Senior Management Personnel shall be as per the Company's remuneration structure taking into account factors such as level of experience, qualification, performance and suitability which shall be reasonable and sufficient to attract, retain and motivate them.

Nomination and Remuneration Committee shall recommend to the Board the remuneration/ remuneration structure for senior management personnel every year.

ii) Other Employees

The remuneration for the Other Employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions and his/her last drawn remuneration in the previous organization.

The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

The annual increments to the remuneration paid to the employees shall be determined based on the appraisal carried out by the respective reporting managers/HODs of various departments as ratified by Business Leadership Teams/Corporate Leadership Team (as applicable). Decision on Annual Increments shall be made on the basis of this appraisal. The remuneration would be benchmarked intermittently with a basket of identified companies comparable to SRF.

At the same time, the increments are largely fixed for Bands. In case, a specific correction is to be brought about for a particular employee

or group of employees, rationalization on a one time basis may also be carried out.

The remuneration may consist of fixed and incentive pay/retention bonus reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The aforesaid Key Managerial Personnel, Senior Management Personnel and Other Employees

may also be provided any facility, perquisites, commission, accommodation, interest free loans or loans at concessional rate in accordance with the policies framed for them or any category thereof.

However loan to the Directors who are KMPs shall be governed by such approvals as may be required by the Companies Act, 2013.

Annexure - I

Performance Evaluation of Executive Directors

Name of Director :

Type of Directorship : Executive Director

Assessment of the following Roles/Attributes as performed by or observed in the Director whose performance is under evaluation :

Sl. No.	Role/Attribute	(Y/N)
1.	Attendance and participation in meetings of the Board of Directors and of the Board Committees	
2.	Advises Board on implementation of good corporate governance practices.	
3.	Exercised his/her duties with due & reasonable care, skill and diligence.	
4.	Acted in good faith and in the best interests of the Company towards promotion of interest of the stakeholders.	
5.	Conduct in compliance with the policies of the Company viz. Code of Conduct, Code of Conduct for Prevention of Insider Trading, Whistle blower Policy etc.)	
6.	Ensures compliance with applicable laws/ statutory obligations in the functioning of the Company.	
7.	Enhances Brand Equity	
8.	Encourages new initiatives/expansion/innovation	
9.	Encourages adherence to the principles of Quality, Cost, Delivery and safety (QCDS)	
10.	Resolves Investor complaints	
11.	Ensures talent retention	
12.	Encourages awards & recognitions Overall Performance (Remarks)	

Name of Director :

Signature :

Date & Place :

Annexure - II

Performance Evaluation of Independent Directors / Non-Executive Directors

Name of Director :

Type of Directorship : Independent Directors / Non-Executive Director

Assessment of the following Roles/Attributes as performed by or observed in the Director whose performance is under evaluation :

Sl. No.	Role/Attribute	(Y/N)
1.	Attendance and participation in meetings of the Board of Directors and of the Board Committees	
2.	Advises on implementation of good corporate governance practices.	
3.	Independent in judgement and actions	
4.	Exercised his/her duties with due & reasonable care, skill and diligence.	
5.	Acted in good faith and in the best interests of the Company towards promotion of interest of the stakeholders.	
6.	Conduct in compliance with the policies of the Company viz. Code of Conduct, Code of Conduct for Prevention of Insider Trading, Whistle blower Policy etc.)	

Name of Director :

Signature :

Date & Place :

Annexure – III

Criteria for evaluation of the board of directors

A:

Performance of Board as a whole	Evaluation Criteria
	<ul style="list-style-type: none"> Discharge of duties and responsibilities under the Companies Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Fulfilment of role of the Board (for instance guiding corporate strategy, risk policy, business plans, corporate performance, monitoring company's governance practices etc.). Number of Board Meetings held during the year.

B:

Performance of Board Committees	Evaluation Criteria
	<ul style="list-style-type: none"> Fulfilment of role of the Committee with reference to its terms of reference, the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Number of committee meetings held during the year.

For **and on Behalf of the Board**

Arun Bharat Ram
Chairman
(DIN: 00694766)

Date: July 28, 2021
Place: New Delhi

ANNEXURE II TO THE BOARD'S REPORT

Annual Report on CSR for the Financial Year ended March 31, 2021

Annual Report on CSR projects as on 31/03/2021

1. Brief outline on CSR Policy of the Company

As per the requirement of Section 135 of the Companies Act, 2013, the Company had laid down a CSR Policy under which the Company had identified projects as per the Schedule VII of the Act in the following areas for the year 2020-21:-

- Promotion of Education (ii):** Improving Quality of Education and Developing School infrastructure of Govt. Schools.
- Employment enhancing vocational skills (ii):** Focusing on imparting appropriate skills as per the market and industry needs and providing a platform to the youth trained to be gainfully self-employed or linking them with potential employers to increase their employability and livelihood;
- Environment (iv):** Plantation, maintenance of paals, recharging ground water etc.
- Art and Culture (v):** Lecture cum demonstration session on classical music, dance, folk form, craft, yoga, heritage, nature walk, Indian Philosophy etc.
- Rural Development (x):** Construction of community shed, village roads / community assets / village development activities/ temporary shelter for homeless etc.
- Promotion of Health Care, Covid – 19 & Disaster Management (i & xii):** Relief and rehabilitation, livelihoods support, R&D, COVID awareness and response, vaccination etc.

2. Composition of CSR Committee:

Sl. 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	Dr. Meenakshi Gopinath	Chairperson	2	1
2	Mr. Arun Bharat Ram	Member	2	2
3	Mr. Kartik Bharat Ram	Member	2	2
4	Mr. L. Lakshman	Member	2	2

3. Provide 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.

3.1. CSR Committee & CSR Policy: <https://www.srf.com/investors/corporate-governance/>

3.2. CSR Projects: <https://www.srf.com/investors/corporate-governance/>

4. Provide 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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Crores)	Amount required to be set-off for the financial year, if any (₹ in Crores)
1	2017-18	-	-
2	2018-19	-	-
3	2019-20	0.37*	-
TOTAL		0.37	

*The Company has spent an amount of ₹ 0.37 Crores during 2019-20 which was in excess of the prescribed amount. The same is being set off against the CSR obligation for 2020-21.

6. Average net profit of the company as per section 135(5) ₹ 661.51 Crores

7.

7 (a)	Two percent of average net profit of company as per section 135(5)	₹ 13.25 Crores
7 (b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
7 (c)	Amount required to be set off for the financial year, if any	₹ 0.37 Crores
7 (d)	Total CSR obligation for the financial year (7a+7b-7c):	₹ 12.88 Crores

8. (a) CSR amount spent or unspent for the financial year: 2020 - 21

Total Amount Spent for the Financial Year. (₹ in Crores)	Amount Unspent (in ₹)				
	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
10.18	2.70	23/04/2021	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: 2020-21

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. 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		Project duration	Amount allocated for the project (₹ in Crores)	Amount spent in the current financial year (₹ in Crores)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Name	CSR Registration number
				State	District							
1.	Rural Education & Skilling Program	(ii)	Yes	Gujarat	Bharuch	3 years	3.21	1.96	1.25	No	SRF Foundation	CSR00000733
2.	Rural Education & Skilling Program	(ii)	Yes	Haryana	Nuh	3 years	3.79	2.34	1.45	No	SRF Foundation	CSR00000733
TOTAL							7.00	4.30	2.70			

(c) Details of CSR amount spent against other than ongoing projects for the financial year: 2020-21

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (₹ in Crores)	(7) Mode of implementation on - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
1.	Rural Education Program	(ii)	Yes	Gujarat, Madhya Pradesh and Assam	Bharuch, Bhopal and Kamrup (M)	1.05	No	SRF Foundation	CSR00000733
2.	SRF Vidyalaya, Gurugram	(ii)	Yes	Haryana	Gurugram	0.11	No	SRF Foundation	CSR00000733
3.	Art & Culture through Spic Macay	(viii)	Yes	Pan India and special focus on Madhya Pradesh and Gujarat	-	0.30	No	SRF Foundation	CSR00000733
4.	BRA School Project at Delhi	(ii)	Yes	New Delhi	New Delhi	0.40	No	SRF Foundation	CSR00000733
5.	COVID - 19 Projects	(xi)	Yes	Rajasthan, Madhya Pradesh, Uttarakhand, Gujarat and Tamil Nadu	Alwar, Bhind, Dhar, Udham Singh Nagar, Bharuch, Pudukkottai and Tiruvallur	2.51	No	SRF Foundation	CSR00000733
6.	International Foundation for Research and Education (Ashoka University)	(ii)	Yes	New Delhi	New Delhi	1.00	No	SRF Foundation	CSR00000733
TOTAL						5.37			

8 (d)	Amount spent in Administrative Overheads	₹ 0.51 Crore
8 (e)	Amount spent on Impact Assessment, if applicable	NA
8 (f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	₹ 10.18 Crores
8 (g)	Excess amount for set off, if any	NA

Sl. No.	Particular	Amount (₹ in Crores)
(i)	Two percent of average net profit of the company as per section 135(5)	13.25
(ii)	Total amount spent for the Financial Year	10.18
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (₹ in Crores)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (₹ in Crores)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial Year (in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year (in ₹)	(9) Status of the project - Completed /Ongoing
Not Applicable								

10. 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)	NA
(b)	Amount of CSR spent for creation or acquisition of capital asset	NA
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	NA
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	NA

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5).

There was no unspent amount reported.

Date: May 05, 2021
Place: Delhi

Sd/-
Ashish Bharat Ram
Managing Director

Sd/-
Dr Meenakshi Gopinath
Director (CSR)

ANNEXURE III TO THE BOARD'S REPORT

ESPS Disclosures

Details related to ESPS

- (i) Details of allotments made under **Part-B of SRF ESPS 2018 of SRF Limited (SRF) Employees Long Term Share Based Incentive Plan – 2018** during the financial year 2020-21:

- (a) Date of shareholders' approval: **March 26, 2018**
 (b) Number of shares issued: **Nil**
 (c) The price at which such shares are issued: N.A.
 (d) Lock-in period: N.A.

- (ii) Details regarding allotment made under **Part-B of SRF ESPS 2018 of SRF Limited (SRF) Employees Long Term Share Based Incentive Plan – 2018**, as at the end the financial year 2020-21 :

Particulars*	Details
The details of the number of shares issued under ESPS	60,000
The price at which such shares are issued	10/-
Employee-wise details of the shares issued to: Senior managerial personnel (Key Managerial Personnel)	Mr. Prashant Yadav- 20,000 shares Mr. Prashant Mehra- 20,000 shares Mr. Anurag Jain- 20,000 shares
Consideration received against the issuance of shares, if scheme is implemented directly by the company	₹ 6,00,000/-
Loan repaid by the Trust during the year from exercise price received	NA

*Allotment made during 2018-19.

Details related to Trust

Details, inter alia, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the Regulations :-

- (i) General information on all schemes:

Sl. No.	Particulars	Details
1	Name of the Trust	SRF Employees Welfare Trust
2	Details of the Trustee(s)	SRF Employees Benefit Scheme LLP
3	Amount of loan disbursed by company / any company in the group, during the year	NIL
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	NIL
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	NIL
6	Any other contribution made to the Trust during the year	NIL

- (ii) Brief details of transactions in shares by the Trust

- (a) Number of shares held at the beginning of the year; : NIL
 (b) Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;: NIL
 (c) Number of shares transferred to the employees / sold along with the purpose thereof : NIL
 (d) Number of shares held at the end of the year.: NIL

- (iii) In case of secondary acquisition of shares by the Trust

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	NIL
Acquired during the year	NIL
Sold during the year	NIL
Transferred to the employee during the year	NIL
Held at the end of the year	NIL

For **and on Behalf of the Board**

Arun Bharat Ram
Chairman
(DIN: 00694766)

Date: July 28, 2021
Place: New Delhi

ANNEXURE IV TO THE BOARD'S REPORT

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (Listing Obligations and Disclosure Requirements) REGULATIONS, 2015

To
The Members of SRF Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated August 07, 2018 and addendum to the engagement letter dated June 18, 2021.
2. We have examined the compliance of conditions of Corporate Governance by **SRF Limited** ("the Company"), for the year ended March 31, 2021, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2021.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

9. We 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.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Kaushal Kishore

Partner

Membership No.: 090075
UDIN: 21090075AAAAAU6767

Date: July 28, 2021
Place: Delhi

ANNEXURE V TO THE BOARD'S REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
SRF Limited
(CIN: L18101DL1970PLC005197)
The Galleria, DLF Mayur Vihar,
Unit No. 236 & 237, 2nd Floor, Mayur Place,
Mayur Vihar Phase I Extension, New Delhi-110091.

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

We report that-

- 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, provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of the financial statements of the Company.
- Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

- The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- We adhered to best professional standards and practices as could be possible while carrying out audit during the lock-down conditions due to Covid-19. The Company made due efforts to make available the relevant records and documents which were verified through online means to conduct and complete the audit in the aforesaid lock-down conditions.

Based on our verification of the Company's 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ("Audit Period") complied with the 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, 2021 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, Overseas Direct Investment and External Commercial Borrowings, where applicable;
- The following Regulations 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, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: [Not applicable to the Company during the audit period];
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: [Not applicable to the Company during the audit period]; and
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India. Further, the Company was generally regular in filing of e-forms with the Registrar of Companies.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, to the extent applicable, as mentioned above.

- The Company is engaged in manufacturing of –
 - Chemicals and Polymers** plants located at Alwar, Rajasthan; Udham Singh Nagar, Uttarakhand and Bharuch, Gujarat, Manali, Tamil Nadu;
 - Technical Textiles** plants at Chennai, Tamil Nadu; Bhind, Madhya Pradesh; Thiruvallur, Tamil Nadu; Pudukottai, Tamil Nadu and Udham Singh Nagar, Uttarakhand;
 - Packaging Films** plants at Udham Singh Nagar, Uttarakhand and Indore, Madhya Pradesh;

As informed by the management, following are some of the laws specifically applicable to the Company:-

 - Narcotics Drugs and Psychotropic substance Act, 1985;
 - Legal Metrology Act, 2009;
 - SEZ Act, 2005 and SEZ Rules, 2006;
 - The chemical weapons convention Act, 2000;

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those meetings which were held on shorter notice as per Secretarial Standards issued by institute of Company Secretaries of India, 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.

As per minutes, Board decisions were carried out with requisite majority; however and therefore, no dissenting views were captured and recorded in 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.

We further report that during the audit period

- the Shareholders at their Annual General Meeting held on August 17, 2020 have passed

a Special Resolution to authorise the Board of Directors of the Company to issue, offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/ tranches, aggregating upto ₹ 500 Crores (Rupees five hundred Crores), on private placement basis.

- the Shareholders passed a special resolution by way of postal ballot on October 08, 2020, to create, issue, offer and allot, in one or more tranches, equity shares of the Company with a face value of ₹ 10 each to qualified institutional buyers for an aggregate amount not exceeding ₹ 750 Crores (Rupees Seven Hundred and Fifty Crores Only) and subsequently, the allotment of 17,64,705 Equity Shares at a price of ₹ 4250 per Equity Share, including a premium of ₹ 4240 per equity share, to the Qualified Institutional Buyers (QIBs) made on October 17, 2020.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900

Devesh Kumar Vasisht
Partner

Date: July 28, 2021
Place: New Delhi

CP No.: 13700 / F8488
UDIN: F008488C000697396

ANNEXURE VI TO THE BOARD'S REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) **The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary and CEO during the financial year 2020-21 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under:**

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2020-21 (₹/Crores)	% increase in Remuneration in the Financial Year 2020-21	Ratio of remuneration of each Director to median remuneration of employees
1	Arun Bharat Ram Chairman	7.61	30.53%	161.91
2	Ashish Bharat Ram Managing Director	9.38	35.16%	199.57
3	Kartik Bharat Ram Deputy Managing Director	9.21	34.45%	195.96
4	Meenakshi Gopinath Director (CSR)	0.17	13.33%	3.62
5	Tejpreet S Chopra Non-Executive Director	0.19	26.67%	4.04
6	Lakshman Lakshminarayan Non-Executive Director	0.19	18.75%	4.04
7	Vellayan Subbiah Non-Executive Director	0.17	13.33%	3.62
8	Bharti Gupta Ramola Non-Executive Director	0.18	20.00%	3.83
9	Yash Gupta Non-Executive Director	0.19	18.75%	4.04
10	Puneet Dalmia Non-Executive Director	0.17	21.43%	3.62
11	Pramod G Gujarathi Director (Safety and Environment)	0.20	5.26%	4.26
12	Prashant Mehra President & CEO (Packaging Films Business, CF & LF)	4.52	8.65%	Not Applicable
13	Prashant Yadav President & CEO (Fluorochemicals Business)	4.40	8.91%	Not Applicable
14	Anurag Jain President & CEO (Speciality Chemicals Business and CTG)	4.45	8.80%	Not Applicable
15	Sanjay Chatrath President & CEO (Technical Textile Business)	2.76	9.52%	Not Applicable
16	Rahul Jain President & CFO	1.76	2.33%	Not Applicable
17	Rajat Lakhanpal VP - Corporate Compliance and Company Secretary	0.74	12.12%	Not Applicable

(ii) The median remuneration of employees of the Company as on March 31, 2021 was ₹ 0.047 Crores as compared to ₹ 0.043 Crores as on March 31, 2020. The increase in median remuneration was 9.30% as compared to 2019-20.

(iii) There were 6386 permanent employees on the rolls of the Company as on March 31, 2021.

(iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 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.

Category	Average Increase
Employees' remuneration (other than Directors)	10.59%
Managerial remuneration (Directors)	33.27%

The increase in managerial remuneration and remuneration of other employees is a function of many factors such as company performance, compensation philosophy, market competitiveness, local agreements with unions and the total number of employees.

(v) It is hereby affirmed that the remuneration paid is as per the Nomination, Appointment and Remuneration Policy of the Company.

For and on Behalf of the Board

Arun Bharat Ram
Chairman
(DIN – 00694766)

Date: July 28, 2021
Place: Gurugram

ANNEXURE VII TO THE BOARD'S REPORT

A) Conservation of Energy – Measures taken:

1. Laminated Fabrics Business, Kashipur

- Saved 224054 Kwh / annum by Banbury A and Banbury B machine batch optimization on calender line
- Saved 94 MT of furnace oil / annum by integrating hot oil circulating systems of PFB & LFB
- Saved 15840 Kwh / annum by eliminating 1 no. hot oil circulating system from hot lamination line
- Saved 3.6 KL / annum of HSD fuel by extending EOT crane rail up to FG area

2. Coated Fabrics Business, Gummidipoondi

- Savings of 2,30,000 Kwh / annum from average coating production/day increase, VFD installation in cooling tower fan motor and one number of energy saving fan replacement in cooling tower gives power savings
- Savings of 172 MT furnace oil (from Aug 20 to Mar 21) from the installation of solid fired thermic fluid heater in place of furnace oil fired thermic fluid heater

3. Packaging Film Business, Indore (SEZ)

- Saved 18,88,950 KWH from chilled water system by installation of energy efficient AHU, chilled water operated FCU's, installation of chill roll cooling water circulation pump
- Saved 2,41,850 KWH from compressed air optimization for energy by switching between high pressure and required pressure of compressed air at various points
- Saved 1,92,850 KWH from installation of energy efficient cutters at Erema

4. Packaging Films Business, Indore DTA

- Saved 7,20,000 KWH from installation of closed loop cooling tower for metalizer-5 air handling unit

- Saved 1,65,000 KWH by incorporating system set point integrating Dornier system with temperature requirement at chill roll through closed loop cooling tower
- Saved 90,000 KWH by implementing automated batch conveying of recycled chips from Erema to main extruder
- Saved 47,200 KWH by implementing direct conveying of recycled fluff to main extruder through conveyor eliminating the requirement of being routed through Erema being converted into recycled chips
- Saved 18,000 KWH by installing variable frequency drive in 2 pumps of TDO cooling zone
- Saved 13,500 KWH by installing energy efficient fans for cooling towers

5. Packaging Films Business, Kashipur

- Saving of 50,000 KWH by completely replacing piston type vacuum pumps by installation of energy efficient vacuum pump in metallizer
- 104000 KWH saved by replacing DC drive with AC drive system in primary slitter
- Optimized the water consumption & energy involved in water transferring by installing auto operation valves & level controllers

6. FCB Bhiwadi

- Saving of 0.16 lac units of electricity (₹ 1.3 lac) by improving the stability of AHF plant with non-Chinese spar by developing effective cleaning process for sulphur separator
- Saving of 2.39 lac units of electricity (₹ 19.7 lac) in F22 plant by developing a closed system for chloroform storage and stabilizing HF distillation process to reduce moisture leading to better catalyst performance and hence increased production
- Saving of 2.33 lac units of electricity (₹ 19.2 lac) in CMS plant by improving process capability using AIMS & PIMS

(under IOT projects) resulting in higher plant throughput

- Saving of 0.44 lac units of electricity in CMS utilities & 2.09 lac units of electricity (₹ 20.9 lac) in F22 utilities by improving heat transfer coefficient in condensers and evaporators of brine refrigeration system using IOT based performance monitoring and accordingly performing hydro jet cleaning and replacement of two condensers
- Saving of 4.37 lac units of electricity (₹ 36.1 lac) in F32 Plant by optimizing the chilled brine temperature requirement in process from -10 °C to -5 °C
- Saving of 1.52 lac units of electricity (₹12.5 lac) in F134a plant by replacing chilled brine with cooling water in product purification section leading to reduction of chilled brine demand
- Saving of 346.0 MT steam (₹ 4.7 lac) in F32 & F134a plants by optimizing reflux ratio of product column and crude column
- Saving of 29.5 MT LSHS (₹ 11.8 lac) in R134a plant by optimizing heat load & eliminating the requirement of exchanger E102AA leading to reduction in overall hot oil requirement
- Saving of 0.18 lac (₹ 1.5 lac) units of electricity in CMS by installing new energy efficient motors
- Saving of 0.297 lac units of electricity (₹ 2.38 lac) in AHF Plant by installing variable frequency drives in P-219, P-490 & BL-490 equipment
- Saving of 7060 units of electricity (₹ 0.6 lac) in lighting by replacing conventional lights with LEDs

7. FCB Dahej

- Saved 8 billion Kcal by optimizing condensing load & maintaining turbine vacuum in captive power plant
- Saved 7 million Kcal by condensate heat recovery
- Saved 2.7 lakh Kcal per hour by increasing the efficiency of air pre-heater by replacing tube bundles
- Saved 0.90 lakh KW of power by optimizing ESP loading as per SPM parameter

8. SCB Bhiwadi

- Savings of 14.25MT of steam (₹ 1 Lacs) by installation of improved steam traps.
- Savings of 1.18 Lacs KWH (₹ 10.1 Lacs) due to VFD provision in equipment.
- Water conservation of 30 KL/day by various water saving & control measures implemented at site.

9. SCB Dahej

- Savings of 29.57 Lacs KWH (₹ 170.1 Lacs/annum) due to power consumption optimization
- Savings of 7.54 Lacs KWH (₹ 43.3 Lacs/annum) by stopping the plant's water chiller and replacing it by chilled water from process chiller
- Savings of 2.25 Lacs KWH (₹ 12.9 Lacs/annum) due to timer automation in the plant
- Savings of 1.74 Lacs KWH (₹ 10 Lacs/annum) by power consumption optimization through pumps optimization
- Savings of 1.04 Lac KWH (₹ 6 Lacs/annum) by optimizing UPS usage
- Savings of 65916 KWH (₹ 3.8 Lacs/annum) by optimization of heaters making 2 heaters run out of 4 heaters
- Savings of 51846 KWH (₹ 3 Lacs/annum) due to replacement of CFL/250W by LED lights
- Savings of 45000 KWH (₹ 2.6 Lacs/annum) by removal of VFD /soft starter

10. Technical Textile Business – Gwalior

Power consumption reduction in air conditioning area

- Replaced conventional blowers with mono block fans in Air washers, 54,000 KWH p.a. power units saved.
- Installed energy efficient FRP fans by replacing metallic fans textile air washers, 2,67,000 KWH p.a. power units saved.
- Replaced dyno drive with inverter in textile plant-1 air washer, 14,000 KWH p.a. power units saved.

Power consumption reduction in refrigeration area

- Carried out Corocoating in chilled water and cooling tower pumps (6 nos) in refrigerant plant. 30,000 KWH p.a. power units saved.

- Installed energy efficient smaller capacity pump in utility cooling tower. 32,000 KWH p.a. power units saved.

- Installed energy efficient in cooling towers. 33,000 KWH p.a. power units saved.

Power consumption reduction in others area

- Installed energy efficient motor, in chilled water and utility cooling tower pumps. 14,000 KWH p.a. power units saved.
- LED lights in plant. 70,000 KWH p.a. power units saved.

11. Technical Textile Business – Manali

- Installation of new 660TR chiller and use it along with existing McQuay chiller- Annualized saving-1366560 KWH p.a.
- Installation of Energy efficient Motors (IE-3 standard) in Spinning and utility (2 nos) - Annualized saving- 17787 KWH p.a.
- Installation of LED lights in Textile, Utility and Canteen (910 nos) - Energy saving- 58270 KWH p.a.
- Automation of lighting system with help of Presence detectors & Digital Timers in the plant- Energy saving- 33557 KWH p.a.

12. Technical Textile Business – Gummidipoondi

- Installed energy efficient chiller. 11,28,000 KWH p.a. power units saved.
- Re-location of 13 twistors from zone-4 to stop AHU # 4. 6,25,000 KWH p.a. power units saved.
- Installed SSM cheese winder. 2,24,000 KWH p.a. power units saved
- Installed EC fans in PIY Take-up AHUs RAFs. 2,33,000 KWH p.a. power units saved
- Installed energy efficient motor for utility section. 43,000 KWH p.a. power units saved
- Compressed air power savings through better SPC & air loss reduction through ultrasonic leak detector. 72,000 KWH p.a. power units saved
- Textile AHUs power optimization through DM. 83,000 KWH p.a. power units saved

- Office & Canteen AHUs stoppage by providing pedestal & table fans, 24,000 KWH p.a. power units saved.

13. Technical Textile Business – Viralmalai

- Optimization of Lighting (Replacement Mercury / Fluro cent with LED fittings). 35,604 KWH p.a. power units saved.
- Optimization of Twister motor capacity. 63,576 KWH p.a. power units saved.
- Sulzer RUTI main motor switch OFF during machine idle time. 10,488 KWH p.a. power units saved.

Capital Investment on Energy Conservation Equipment:

TTBM:

- Installation of new 660TR chiller and use it along with existing McQuay chiller
- Installation of Energy efficient Motors (IE-3 standard) in Spinning and utility (2 nos).

TTBG:

- Installed energy efficient FRP fans by replacing metallic fans textile air washers.
- Installed energy efficient smaller capacity pump in utility cooling tower.
- Installed energy efficient in cooling towers.
- Installed energy efficient motor, in chilled water and utility cooling tower pumps.

TTBT:

- Installed energy efficient chiller.
- Installed SSM cheese winder.
- Installed EC fans in PIY Take-up AHUs RAFs.
- Installed energy efficient motor for utility section.

TTBV:

- Optimization of Twister motor capacity.

Packaging Film Business, Indore SEZ

- Installation Closed Loop Cooling Towers at various production points - INR 232 Lacs
- Installation of Energy Efficient Cutters at Erema INR 247.21 Lacs

Packaging Films Business, Indore DTA

- Closed Loop Cooling Tower installed at Metalizer-5 air handling unit amount ₹ 25.97 Lakhs

SCB Bhiwadi:

- VFD provision in Pumps: ₹ 1.98 Lacs
- Replacement of old steam traps: ₹ 0.5 Lacs

SCB Dahej:

- Investment in providing chilled water from process chiller: ₹ 3.5 Lacs
- Installation of timer automation in plant: ₹ 1 Lacs
- Replacement of CFL/250W by LED lights: ₹ 0.5 Lacs

B) SCB: Technology Absorption

At SRF, the technology plays a key role in development of complex products that are benchmarked in terms of quality and technical challenge. The Chemical Technology Group at SRF actively engages in supporting the Specialty Chemicals Business in producing a number of complex and high-value products from both dedicated and flexible manufacturing assets at its sites at Bhiwadi and Dahej. The Business is catering to global innovators in Agrochemical and Pharmaceutical space and delivers them Advanced Intermediates/APIs for their end-products. The focus of the Business is to create value for its customers by addressing complexity across the value chain.

Apart from developing complex new age molecules, the R&D and technology teams also help in designing new plants and scaling up the capacity of existing plants with a focus on improving the technology being used, lowering the cost of production, improving yields, and optimizing the overall throughput.

Some of the areas where technology has been absorbed in this period are:

- Augmenting capabilities to cater efficiently from market assessment to meeting customer needs

C) Foreign exchange earnings and outgo

Particulars	(₹ in Crores)	
	Year ended March 31, 2020	Year ended March 31, 2021
Foreign Exchange Earnings	2645.08	3325.05
Foreign Exchange outgo	1808.14	1686.70
Net Foreign Exchange Earnings	836.94	1638.35

For **and on Behalf of the Board**

Arun Bharat Ram

Chairman
(DIN: 00694766)

Date: July 28, 2021
Place: New Delhi

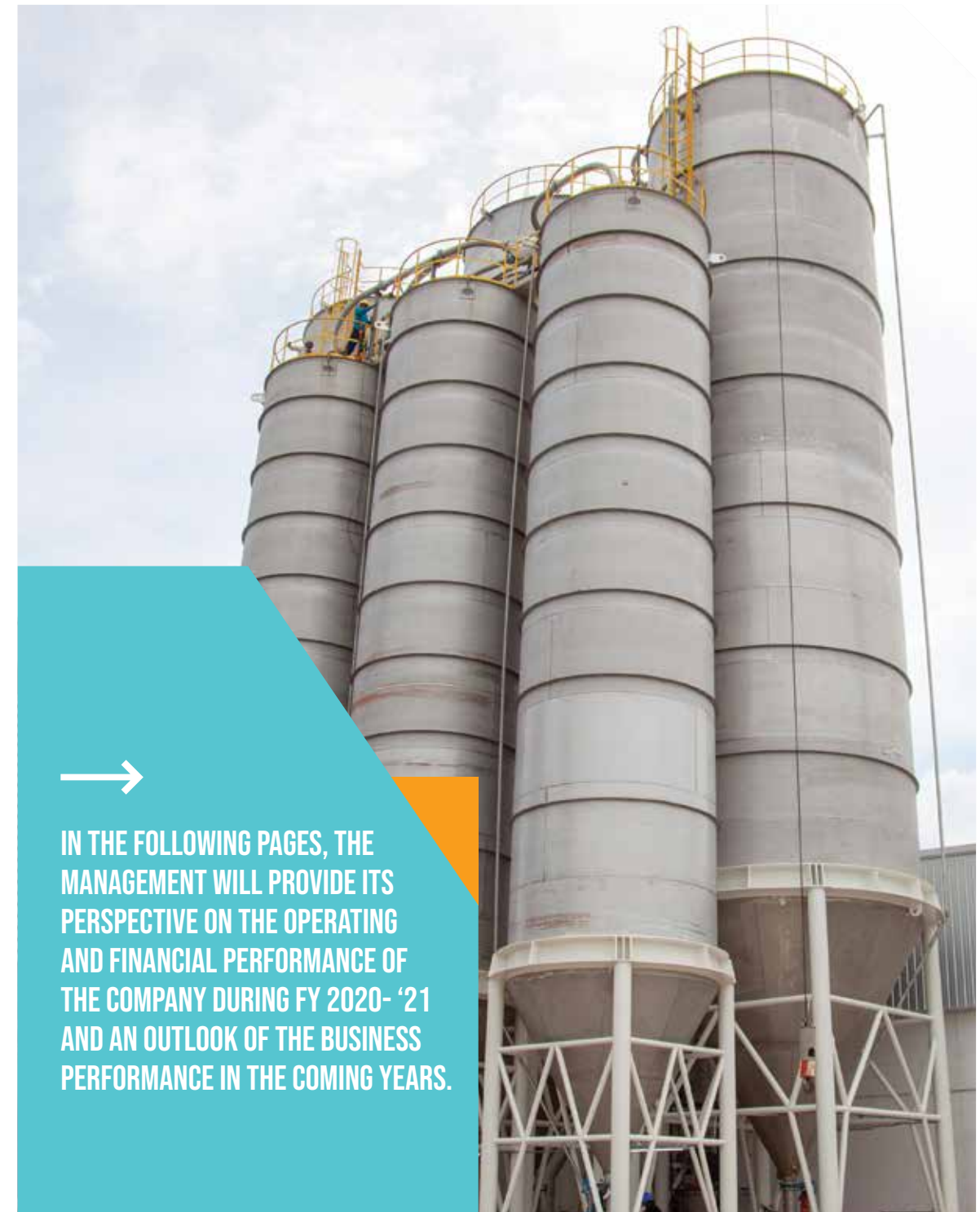
- Building process development capabilities to go beyond reported chemistries and technologies by developing novel processes
 - Developing new products and maintaining a robust pipeline of futuristic products
 - Capacity and production yields of several product were significantly enhanced
 - Strong emphasis on waste generation minimization and ensuring process safety
 - Enhanced efforts to create and protect IP
- The Business continues to invest in technology, its people, and processes, to enhance the value proposition for its customers.

TTB:

The R&D centre of Technical Textiles Business is located at Manali, Chennai. Equipped with state-of-the-art Pilot facilities and sophisticated testing laboratories for evaluating Polymers, Fibers and fabrics, the TTB-R&D centre aims at maximizing competitiveness of Technical Textiles Business through market oriented new product/technology development. In this regard, the R&D centre has developed many variants of Polyester Industrial Yarns for as reinforcements in geotextiles, fiber reinforced composites etc., and Aramid based reinforcement fabric for hoses, each tailor-made for the respective application.

Apart from the developments in existing business space, novel products involving Nano-technology are also being developed by this centre in close association with leading Academic and Research Institutes in India and abroad for various research projects. TTB-R&D also works in close collaboration with major customers for joint developments in the field of Tyre cords, belting fabrics and other Mechanical Rubber Good reinforcements.

MANAGEMENT DISCUSSION & ANALYSIS



IN THE FOLLOWING PAGES, THE MANAGEMENT WILL PROVIDE ITS PERSPECTIVE ON THE OPERATING AND FINANCIAL PERFORMANCE OF THE COMPANY DURING FY 2020- '21 AND AN OUTLOOK OF THE BUSINESS PERFORMANCE IN THE COMING YEARS.

Businesses

SRF Limited is a chemical based multi-business conglomerate engaged in the manufacturing of industrial and specialty intermediates. The company is widely recognized and well respected for its R&D capabilities globally, especially in the niche domain of chemicals. SRF Limited is a market leader in most of its business segments in India with a significant global presence. The company has operations in four countries namely, India, Thailand, South Africa, and Hungary. SRF has commercial interests in more than seventy-five countries and classifies its businesses as Technical Textiles Business (TTB), Chemicals Business (CB), Packaging Films Business (PFB), and Other Businesses.

Technical Textiles Business

FY 2020- '21 began on a difficult note with the entire country under strict lockdown restrictions to control the surge of COVID-19. This resulted in the shutdown of all TTB manufacturing plants. However, as the unlock process started, all plants re-started operations, with strict safety protocols while maintaining product quality. By the end of H1 – 2020 – '21, all TTB segments witnessed a strong revival. Increased Government spending in infra sectors, focus on personal mobility, import restrictions on Chinese tyres and container shortage resulting in higher sea freight triggered an increase in domestic demand.

Tyre Cord Fabrics

Nylon Tyre Cord Fabric segment registered strong demand from both Original Equipment (OE) and replacement sectors during H2 – 2020 – '21. Restriction in tyre imports from China led to an increase in domestic tyre production across all segments resulting in an overall growth in demand for Tyre Cord Fabrics (TCF). TCF segment also executed yarn capacity expansion and debottlenecking projects in FY 2020- '21.

Belting Fabrics

Belting Fabrics segment is a key supplier to end-user industries, namely, steel, cement, coal, and power generation. In FY 2020- '21, all these industries witnessed a de-growth, thereby resulting in pressure on margins. However, with an increased focus on Value-Added Products (VAPs) and an integrated value chain, the Business was able to increase the overall

market share and sales volume to domestic as well as export markets.

With the ongoing expansion projects and a strong portfolio of VAPs, SRF will further consolidate its position in both the domestic as well as the global market in FY 2021- '22.

Polyester Industrial Yarn

Polyester Yarn segment witnessed a strong revival in H2 FY 2020 – '21 due to increased demand from the auto segment and stronger push in infra sectors. The continued focus on increasing sales of VAPs helped keep the margins healthy, despite the Chinese continuing to dump yarn into India at very low prices.

The healthy margins trend is expected to continue in FY 2021- '22 as well.

Outlook

The Technical Textiles Business is likely to perform well in FY 2021- '22, owing to a revival in demand of all major end-user industries.

Chemicals Business

The **Chemicals Business** comprises two different product segments, namely Fluorochemicals and **Specialty Chemicals**.

Fluorochemicals

Refrigerants & Propellants and Industrial Chemicals
FY 2020- '21 was a tough year for the refrigerants market globally. Auto and air-conditioner market

declined initially, which resulted in a significant drop in refrigerant market demand along with selling prices. It was only in the latter part of the year that some revival in demand was witnessed, although the international prices remained subdued throughout the year. However, Industrial Chemicals market performed well due to the growth in pharma and agrochemicals segment. The Industrial Chemicals Business was able to maintain its market share and launched a new product- Methyl Chloride in its CMS portfolio.

Both Chemicals sites witnessed stable and safe operations during COVID-19 and nearly all the plants operated at full capacity during the second half of the year. We successfully launched our first ASHRAE product F 467A in the international market. In addition, we received the European Pharmacopoeia certificate for our Dymel® product segment, along with the addition of new customers and geographies in this space. We continue to improve our process capability and were able to develop innovative processes in existing operations and filed new patents during the year.

Overall performance for this year was lower than last year with latter half of the year being significantly better, almost reaching pre-COVID-19 levels.

Outlook

The The Business is expected to do well on the back of robust GDP growth projections for major economies and India. In addition, the surge projected in domestic A/C and refrigerator production capacities in lieu of various Government policies and initiatives like the ban on pre-charged ACs imports, PLI, Atma Nirbhar Bharat or increase in personal mobility resulting in a boost to the auto sector augurs well for the Business. Furthermore, with increased spending on healthcare and favourable Government policies, the pharma and agrochemical segments will also continue to grow. Exports are also likely to remain firm with positive outlook in the US Economy, where we have already established a reasonable business share.

Overall, the Business is expected to improve its performance with better capacity utilization and commissioning of new plants like CMS in the latter half of the year 2021- '22, sales ramp-up of AHCL and other cost improvement initiatives including supply chain stabilization along with keeping a close watch on how the macro scenario moves. The Business

BOTH CHEMICALS SITES WITNESSED STABLE AND SAFE OPERATIONS DURING COVID-19 AND NEARLY ALL THE PLANTS OPERATED AT FULL CAPACITY DURING THE SECOND HALF OF THE YEAR. WE SUCCESSFULLY LAUNCHED OUR FIRST ASHRAE PRODUCT F 467A IN THE INTERNATIONAL MARKET.



will focus on maintaining its market share of F 134a, F 32, F 125, HFC Blends and Methylene Chloride, aside from its ongoing efforts to pursue growth in Industrial Chemicals with the addition of new products in its portfolio.

Specialty Chemicals Business

The Specialty Chemicals Business maintained its growth momentum during the year. COVID-19 related interruptions affected the Business mostly in the first quarter of the FY. The Business received support from the market despite the global pandemic. We focused on the customers' key products and their developmental project requirements, while at the same time ensuring that the production capacities were optimally utilized during the year.

Both the sites managed production despite COVID-19 induced manpower challenges. This ensured continuity of customers' supply chain. The Business captured the market opportunities and translated them into



commercial propositions. The agility demonstrated in supplying some critical and complex intermediates was acknowledged by our customers and we were also bestowed the 'Syngenta Supplier Award 2020 for Performance' during the year.

The Business continues to remain focused on agrochemical and pharmaceutical space, where we collaborate with major global innovators for process development, commercialization, and production of complex new age molecules having downstream application in agrochemical and pharmaceutical segments.

During the year, the Business launched several new agrochemical and pharma intermediates and remained steadfast on its 'Innovation and Technology Leadership' journey. The production capacity of several products was enhanced significantly at both the sites. Three new dedicated plants were also commissioned

during FY 2020 – '21. The Business made continual investment towards cleaner and leaner operations, in line with further strengthening its sustainability initiatives. All these measures have further enhanced the positioning of the Business in its ability to deliver complex specialty products and related intermediates.

Outlook

The Business continues to engage with global innovators to develop new-age products in our chosen markets and strives to serve its customers despite the ongoing challenges posed by the pandemic. The Business, supported by its customers, is expected to continue showcasing its ability to supply critical intermediates and meet customers' emerging needs. The Business will continue in its efforts to deliver better value to its customers as it remains committed to invest in emerging and futuristic technologies, while having a strong focus on operational excellence to sustain growth.



Chemicals Technology Group

The Chemicals Technology Group (CTG) has been continually augmenting its capabilities and helping in driving the technology curve for the Fluorochemicals and Specialty Chemicals Businesses.

CTG has been developing a variety of new technologies and platforms to bolster SRF into next level of technology play. CTG is actively supporting both the Specialty Chemicals and the Fluorochemical Businesses gain prominence in their respective Business areas.

CTG has enabled the Business growth in Fluorinated molecules where it holds over three decades of manufacturing expertise. CTG is now increasingly engaged in the development of complex non-Fluorinated intermediates. With more-and-more complex products being introduced by the Business in the market and to meet further challenging chemistries and complex needs of customers, it is imperative to boost CTG's capabilities and support systems. The R&D and scale-up facilities

at Bhiwadi are being augmented to achieve this. SRF will continue to invest in CTG, which has been dedicatedly working on enhancing SRF's technology development capabilities by developing more efficient and sustainable processes. CTG is envisaged to facilitate the Businesses in their journey of Innovation and Technology Leadership, which is key in driving sustainable growth at SRF.

The two dedicated R&D facilities, engineering lab and pilot plant facilities, employing many scientists and engineers work together to achieve the innovation and technology leadership at SRF. SRF continues to invest in R&D for creating propositions for the future and Capital and Revenue expenditures of more than ₹ 100 Cr. were spent during FY 2020- '21.

CTG worked on more than 50 molecules and 80% products were successfully taken up for process development. Around 15 molecules were taken up for the scale-up studies and were commercially produced in multipurpose and dedicated plants.

In FY 2020- '21, CTG filed thirty-six patents taking the total count to three hundred and nine patents filed so far. Twenty-three patents were granted in FY 2020- '21 taking the total count of patents granted to the company to ninety-three.

Packaging Films Business

FY 2020- '21 has been a good year for the Packaging Films Business (PFB). This Business is a part of the essential goods value chain and hence was able to operate its plants during the nationwide lockdown. Increased demand for food packaging accompanied by the hard work and passion of the team contributed towards the larger goal of 'Easy To Do Business With (ETDBW)' and helped the Business achieve its best-ever performance.

All plants maximized their production, keeping costs under control and creating their own benchmarks. We could achieve an output of almost 2,50,000 MT during the year while sustaining the best-in-industry cost structures. In our journey of adding more VAPs in our portfolio, the Business launched fourteen new products and the overall VAP sales grew by more than 20% over previous year. Our team worked relentlessly to start the new BOPET film plant at Thailand, making it the first-ever remote commissioning of a film line anywhere in the world. Subsequently, the team also commissioned and operationalized the new BOPET film line in Hungary and a resin plant in Thailand amidst severe travel restrictions, limiting availability of supplier personnel and field experts on-site. While utilizing our assets to the maximum, we continuously strive to maintain a safe and healthy environment at our plants. In FY21, we received 5 Star rating for Occupational Health and Safety (OHS) from the British Safety Council for our facility in South Africa. Our expansion of BOPP film line at both Thailand and India are also progressing well and timely vertical startup of both the lines will be one of our most important agenda items.

The Business is driven by the philosophy of –ETDBW, even during challenging circumstances and that is what keeps us focused towards serving our customers every day. In the year 2020, Sustainability initiatives slowed down in the packaging industry, however, as a responsible player, we have continued with our initiatives and participation in various international forums. Sustainability will remain amongst the top-most priorities for the Business in 2021.

Outlook

During the coming year, we expect to face some temporary disruptions especially on the supply chain front caused by the COVID-19 pandemic and it will result in financial impact on almost all organizations. In recent times, several new film plant expansions have also been announced across the world and in the future, we might witness an oversupplied market resulting in pressure on profitability. At present, it is difficult to predict the demand. We expect that in the coming year, the supply of Packaging films will exceed demand, leading to pressure on margins.

In FY 2021- '22, SRF's primary focus will be on running its plants optimally, keeping costs under control and continuing our work on VAPs. Effort will also be directed towards maximum utilization of the new BOPP facility in Thailand starting in the first quarter. Furthermore, we will continue our work on the sustainability initiatives driven by the '3R' approach - Reduce, Reuse and Recycle.

During the year, we will keep a close watch on the macro scenario and be flexible to adapt our strategy accordingly.

Other Businesses

Coated and Laminated Fabrics Business

Under the Other Businesses segment, both Coated and Laminated Fabrics performed well in FY 2020- '21. Despite adverse market situation, Coated Fabrics Business recorded its best-ever performance and Laminated Fabrics Business has also been able to achieve the targeted profitability. Both the Businesses were impacted during the first quarter due to the situation arising from the COVID-19 pandemic.

Outlook

In FY 2021- '22, we expect some temporary disruptions in the market due to COVID-19 pandemic. For both the Businesses, the focus will be on increasing the sales and continue work on various cost reduction initiatives.

Human Resources

COVID-19 pandemic has been one of the biggest human health and economic crises faced by mankind in almost a century. During this period, the initial focus of the Human Resources (HR) team was to ensure

the safety of our people. Providing proper insurance cover, 'no questions asked' financial assistance to people struggling with the virus and looming hospitals bills, on-call medical treatment for employees, etc. were some of the initiatives undertaken by the HR department.

Well-being of our people was at the core of everything that we did, including tie-ups with professional counselors to ensure psychological welfare of our people.

When it comes to well-being, we do not restrict ourselves to just our employees. A massive drive to provide for the needy was conducted at all locations of SRF. Our own SRF employees came to the forefront and fulfilled an important duty towards the society.

During this time, it became evident that automation and virtualization was the new essential. As a function, HR focused on automation of most of its processes and ensured nothing was stalled due to the external changes. In the event, several processes were also revamped completely to suit the new reality. This included the ones adjusting to working-from-home or putting in place strict protocols to ensure the safety of the staff in the factories.

Most importantly, we made the promise of 'no job losses due to the pandemic'. The organization fulfilled its promise and continues to do so. We also kept every single commitment made prior to the pandemic. All job offers made were honored. All financial commitments made to people prior to the pandemic were fulfilled. A healthy and more than industry average increment and bonus was announced for employees.

Industrial Environment

The organization's overall employee relations remained mostly positive throughout the year. This was a result of our concerted efforts towards curbing the fear of the unknown and related anxiety amongst people. This was done by ensuring proper support and timely and consistent communication. We kept our employees engaged and conducted various initiatives both virtually and in-person. We maintained a pleasant and cordial working environment across all manufacturing locations and witnessed an increase in productivity at several manufacturing locations.

THE TOTAL NUMBER OF PERMANENT EMPLOYEES AT SRF STANDS AT 6,956 AT THE CLOSE OF BUSINESS ON MARCH 31, 2021. OF THESE, 6,386 ARE BASED AT OUR INDIAN LOCATIONS.



The total number of permanent employees at SRF stands at 6,956 at the close of business on March 31, 2021. Of these, 6,386 are based at our Indian locations.

Information Technology

The primary focus of Information Technology during the year was to keep employees connected and productive during the COVID-19 crisis. Our investment in cloud solutions like Office365 were utilized to ensure employees could get access to information and applications from anywhere securely on authorized devices. Collaboration platforms were used to enable various teams to work together with features like online meetings, video conferencing and shared libraries. Even critical plant commissioning was made possible through video assisted support from experts around the globe. A new e-learning platform was deployed so that the lockdown time could be well-utilized to hone employee knowledge and skills.

Ensuring employee asset and data safety was of prime importance considering the increased



exposure of employees outside the secured network perimeter of SRF. Secure VPN solutions, information classification and protection solutions, cloud proxy solutions ensured that the employee home zone was also converted to a safe zone for enterprise data. Employee credentials were protected using Microsoft cloud authentication solutions doubly protected with multi-factor authentication. A security and incident event management system was deployed to track all events on our gateway firewalls.

The IT infrastructure is undergoing a transformation to incorporate cloud-based applications. An important component of this is the network that is being re-structured with a software defined wide area network solution. Many of our plant and office locations were moved to this platform that helps in intelligently routing network traffic to our data centers or to the internet directly from the plants in a secure manner. This improves performance, latency while reducing downtimes.

Another focus area this year was on automation to ensure operations keep working in the current

circumstances. The Government requirements of e-invoicing and e-way bill were addressed with automated solutions integrated with Government portals. Many manual processes that took time were automated on BPM platforms with rule and decision engines defined. Shopfloor automation solutions were put in place to augment workers on the shopfloor. Multiple projects were done using Industrial Internet of Things (IIOT) tools to improve process efficiencies, costs, and quality of products.

We reached out to our external stakeholders with a customer portal for our Chemicals Business giving dealers the flexibility to place online orders. The supplier portal will connect our key suppliers similarly. We extended an online vendor bill discounting solution for vendors to bid for early payment against discounts.

Our investment in technologies helped us tide over the uncertain times. We will continue to use these technologies and invest in essential technologies to keep operations running while giving business an edge to compete with innovative offerings.

Community Partnerships

Building on its long-term commitment to the sustainable and inclusive growth of the community, SRF Foundation, the corporate social responsibility arm of SRF Limited, expanded its scope of work and took concrete steps in compliance with Section 135 of the Companies Act 2013 during FY 2020- '21.

The Foundation continued to focus on the identified areas of education, vocational skills, natural resource management, child nutrition and affirmative action on a sustainable basis. Furthermore, it strengthened its Public Private Community Partnership (PPCP) model to positively affect the lives of people.

FY 2020- '21 witnessed the strengthening of the Foundation's education program. Today, we have reached 276 Government schools across 21 locations in nine states directly, providing quality education to more than 81,310 students. By collaborating with likeminded partners, we work with 212 Government & Private schools indirectly, positively affecting the lives of 3,800 students and 261 teachers in these schools. The Foundation continued its work towards improving infrastructure and academic facilities under the School Education Program, and promoting digital-based learning through KidSmart Centers, World on Wheels & GetSmart-Mobile Digital Labs, Common Services Lab, Digital Based Learning, and Digital theatres. The Foundation also supported a child nutrition program through its project 'Power of 5'.

SRF Foundation undertook several new initiatives to improve the employability of people around our plant locations by providing vocational skills in partnerships with Schneider Electrical and The Times of India.

SRF Foundation, through its Natural Resource Management (NRM) program continued to reach the economically weaker families near its manufacturing plant at Bhiwadi in Rajasthan and improve their livelihood by adopting the watershed-based livelihood and environment conservation approach. In FY 2020- '21, the Foundation conducted certain Hydrological and Environment studies in 35 villages around SRF Bhiwadi Plant in the Tijara block where rainfall is below normal, and the findings helped us create 206 earthen dams.

This year was marked by the sudden outbreak of COVID-19 pandemic. To help those in need, SRF Foundation contributed 63,139 ration kits and 4,585 health kits to 23,775 families in eight locations across India.

In recognition of our work, SRF Foundation was bestowed with several awards for meaningful contribution to school education. We were honored with the Best STEM Education Project – Through Partnership (Large Impact) by the India CSR Network. Furthermore, we were the finalist at the 7th eNabling North East Awards, organized by the North East Development Foundation & Digital Empowerment Foundation.

Internal Control System and Internal Audit

Internal Audit & Risk Management is an enabling function, which steers and coordinates the internal controls and risk management system of the organization. It provides standard operating procedures, methods, and tools, which forms the basis for Enterprise Risk Management and internal control process.

The Internal Audit team develops a comprehensive annual internal audit plan employing systematic approach, which is risk-based audit area identification, commensurate with the size and nature of business activities of the company. In addition, the statutory auditor, assesses the fundamental suitability of the internal audit to ensure the effectiveness of internal financials controls, as part of its audit of the annual financial statements. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the said plan. The company has a well-documented system of internal financial controls in place, commensurate with its size, scale, and complexity of operations. These controls have been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets, executing transactions with proper authorization, and ensuring compliance with corporate policies. The controls based on the prevailing business conditions and processes have been tested by internal/external auditors during the year and no reportable material weaknesses in the design or effectiveness was observed.

The Internal Audit team also monitors and evaluates the efficacy and adequacy of internal control systems in the company, the ERP solutions, the accounting procedures, and policies at all locations. Based on the gaps reported in the internal audit report, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Any significant audit observations and corrective actions thereon are presented to the Audit Committee.

The Audit Committee reviews the reports submitted by the Internal Auditors (both internal and external) in each of its meetings. The company also has a robust and comprehensive framework of Control Self-Assessment (CSA), which promotes self-compliance monitoring mechanism in accordance with laid down policies and procedures, regulatory environment through IT enabled platform such as CSA tool and Compliance Manager.

Risk Management

The company has developed and implemented a Risk Management Framework, which is approved by the Board. Further, the Board has constituted a Risk Management Committee (RMC) to oversee key risks and assist the Board in efficient management of risk management process.

The Risk Management Policy, inter alia, includes identification therein of elements of risk, including those, which in the opinion of the Board/RMC may threaten the existence of the company.

TODAY, WE HAVE REACHED 276 GOVERNMENT SCHOOLS ACROSS 21 LOCATIONS IN NINE STATES DIRECTLY, PROVIDING QUALITY EDUCATION TO MORE THAN 81,310 STUDENTS.



Risk management process has been the integral part of the company strategy and planning process. The company has established a risk management framework to identify, assess and frame a response to threats that can affect its business objectives and stakeholders. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organization. The responsibility of tracking and monitoring the key risks of the business/function periodically and implementing suitable mitigation plans proactively is with the senior executives of various business/functional units.

Risk Management Process



The key roles and responsibilities regarding risk management in the company are summarized as follows:

1. Board of Directors (BOD) & the Audit Committee:

- The Board of Directors hold the overall responsibility for an effective risk management system. The Audit Committee of the Board examines the appropriateness and effectiveness of the risk management system at least once a year and reports to the Board.

- Review the risks that may threaten the existence of the company.
- Consider the recommendation of Risk Management Committee on Risk Management Plan/ Policy.

2. Risk Management Committee (RMC):

- Oversee company's risk management framework.
- Review key risks and compliance of risk management policy.
- Review risk portfolio and mitigation strategies and updates the Board & Audit Committee on the same.
- Assist the Board/Audit Committee in evaluating the effectiveness of Risk Management System.

3. Corporate Leadership Team (CLT):

- Develop risk management framework and policy.
- Review key risks and mitigation action plan.
- Review effectiveness of risk mitigation strategies; develop counter measure if any and update the same to RMC.

4. Business Leadership Team (BLT) & Risk Owners:

- Identification, classification, and prioritization of risks into high, medium, and low as per risk management framework.
- Identify and implement risk mitigation measures.
- Periodically review mitigation measures status, develop counter measures, if any.
- Provide status update of key risks to the CLT.

Risk Classification

All the risks have been broadly classified into the following categories:



Strategic Risk

Risks arising out of macro-economics and other external conditions, which can significantly impact the company's strategic business decision, future aspiration, and financial performance.



Financial & Reporting Risk

Financial risk arising due to various uncertainties in the financial market or inadequate financial reporting.



Operational Risk

Risks of loss due to insufficient resources, inadequate processes or failure thereof, or insufficient skill or people.



IT and Cyber Risk

Potential loss due to non-availability of technical infrastructure or appropriate software technology, impact on data integrity, data theft or loss of Intellectual Property Right (IPR) due to compromised network security.



Regulatory Risk

Risks arising out of regulatory non-compliances.

During FY 2020- '21, significant changes in the key financial ratios as per listing regulations were as follows:

Ratios	FY 20-21	FY 19-20	% Change	Remarks
Interest Coverage Ratio = (EBDITA - Current Tax) / Gross Interest	13.57	8.06	68.24%	Better operating margins and scale leading to a higher EBDIT, lower cost of borrowing and an overall reduction in borrowing leading to better interest coverage
Current Ratio = Current Assets / Current Liabilities	1.43	0.95	50.70%	Higher operating cash flows, QIP inflows, and lower maturities of long-term borrowings in next financial year leading to a better current ratio.
Debt Equity Ratio = Total Debt / Equity	0.42	0.59	28.28%	Qualified Institutional Placement of ₹ 750 crore during FY '21 led to a higher equity base and reduced gross borrowings, better operating margins also aided in higher operating cash flows leading to a lower debt profile.
Return on Net Worth= PAT/ Net Worth	14.70%	20.80%	-29.35%	FY '20 PAT (Including Discontinuing Operations) was higher due to one-time sale of the Engineering Plastics Business, Deferred Tax Re-measurements, and utilization of brought forward capital losses. Also, QIP issuance of ₹ 750 crore during FY '21 led to a higher Net Worth.

CORPORATE GOVERNANCE REPORT

Philosophy of the Company on Corporate Governance

For SRF Limited (SRF), good corporate governance means adoption of best practices to ensure that the Company operates not only within the regulatory framework, but is also guided by broader business ethics. The adoption of such corporate practices — based on transparency and proper disclosures — ensures accountability of the persons in charge of the Company and brings benefits to investors, customers, creditors, employees and the society at large.

Board of Directors

Composition of the Board

As on March 31, 2021, SRF's Board consisted of 11 Directors, of which four are executives of the Company (including the Chairman, who is an Executive Chairman), one is non-executive & non-independent and six are independent. Table 1 gives the details of the Board as on March 31, 2021.

Table 1: Composition of the Board of Directors of SRF

Name of Director	Category of Director	No. of Directorships of Indian Public Ltd Co. (other than SRF Limited)*	No. of Committees where Chairperson or Member (including SRF Limited)*		Name of Listed Entities & Category of Directorship
			Chairperson	Member	
Arun Bharat Ram	Executive Chairman, Promoter	3	-	2	- J K Paper Limited – Independent Director
Ashish Bharat Ram	Executive, Promoter	4	1	1	- Transport Corporation of India Limited – Independent Director - KAMA Holdings Limited – Non-Executive Director
Kartik Bharat Ram	Executive, Promoter	2	-	2	- KAMA Holdings Limited – Non-Executive Director
Pramod G Gujarathi	Executive	1	-	1	- Chemiesynth (Vapi) Limited – Independent Director
Tejpreet S Chopra	Non-Executive, Independent	2	1	1	- Gujarat Pipavav Port Limited – Independent Director - Indian Exchange Energy Limited – Independent Director

Name of Director	Category of Director	No. of Directorships of Indian Public Ltd Co. (other than SRF Limited)*	No. of Committees where Chairperson or Member (including SRF Limited)#		Name of Listed Entities & Category of Directorship
			Chairperson	Member	
Lakshman Lakshminarayan	Non-Executive, Independent	4	2	-	<ul style="list-style-type: none"> Rane Brake Lining Limited – Non Executive, Promoter Director Rane Engine Valves Limited- Non Executive, Promoter Rane Madras Limited - Non Executive, Promoter Director Rane Holdings Limited – Chairman Emeritus, Non-Executive, Promoter
Vellayan Subbiah	Non-Executive, Independent	6	1	4	<ul style="list-style-type: none"> Tube Investments of India Limited – Executive, Promoter Director Shanti Gears Limited – Non-Executive, Promoter Director Cholamandalam Investment and Finance Company Limited - Non-Executive Director Cholamandalam Financial Holdings Limited - Non-Executive Director CG Power and Industrial Solutions Limited - Non-Executive Director
Meenakshi Gopinath	Non-Executive, Non-Independent	-	-	-	Nil
Bharti Gupta Ramola	Non-Executive, Independent	1	-	2	<ul style="list-style-type: none"> HDFC Life Insurance Company Limited – Independent Director
Puneet Yadu Dalmia	Non-Executive, Independent	1	-	-	<ul style="list-style-type: none"> Dalmia Bharat Limited- Managing Director
Yash Gupta	Non-Executive, Independent	1	-	2	Nil

*Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.

#Membership & Chairmanship of Stakeholder Relationship Committee & Audit Committee of Indian Public Companies have been considered.

Arun Bharat Ram is the father of Ashish Bharat Ram and Kartik Bharat Ram.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board :

Skill Matrix identified by the Board to function effectively -

Industry knowledge/experience	Technical skills/experience	Behavioural Competencies
a) Consulting Experience	a) Accounting and finance	a) Integrity and ethical standards
b) Manufacturing Industry experience	b) Industrial Engineers	b) Mentoring abilities
c) Understanding of relevant laws, rules, regulation and policy	c) Talent Management	c) Critical thinking
d) Analyzing Business Problems	d) Compliance and risk	d) Strategic Planning
e) Adapting to changing Business Conditions	e) Devising plans for New Business	e) Entrepreneurial & Commercial Acumen
f) Recommending cost-cutting measures	f) Proposing solutions to Business Problems	f) Analytical Decision Making
g) Recommending Process Improvements	g) Innovation	g) Customer Centricity
		h) Leading Change
		i) Leading People

Skills available with Board as per skill matrix -

Sl. No.	Name of Director	Industry knowledge/ experience	Technical skills/ experience	Behavioural Competencies
1.	Arun Bharat Ram	b,d,e,f,g	b,e,f,g	a,b,c,d,e,f,h,i
2.	Ashish Bharat Ram	b,c,d,e,f,g	a,d,e,f,g	a,c,d,e,f,g,h,i
3.	Kartik Bharat Ram	b,d,e,f,g	c,d,e,f,g	a,b,c,d,e,f,h,i
4.	Lakshman Lakshminarayan	b,c,d,e,f,g	a,b,c,f	a,b,e,f,g,i
5.	Vellayan Subbiah	a,b,c,d,e,f,g	a,b,e,f	a,c,d,e,f,g,h
6.	Tejpreet S Chopra	b,c,d,f,g	d,e,f,g	a,c,d,e,f,g,h
7.	Pramod G. Gujarathi	b,c,f,g	b,d,	a,b,c,f,g
8.	Bharti Gupta Ramola	a,c,d,e,g	a,d,f,g	a,c,d,f,g,h
9.	Meenakshi Gopinath	c	c,d	a,b,c,g,h,i
10.	Puneet Yadu Dalmia	b,c,d,e,f,g	a,b,e,f	a,b,c,d,e,f,i
11.	Yash Gupta	a,d,e,f,g	a,c,e,f,g	a,b,c,d,e,f,h

Certificate from M/s. S. Aggarwal & Associates, Practising Company Secretary (Registration No. 8989), 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 the Company by the Board/ Ministry of Corporate Affairs or any such Statutory Authority as stipulated under Regulation 34(3) of the Listing Regulations, is attached to this Report.

Independent Directors on the Board are Non-Executive Directors

Our definition of 'Independence' of Directors is derived from Regulation 16 of Listing Regulations, and Section 149(6) of the Companies Act, 2013. Based on the

confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors other than Meenakshi Gopinath are Independent in terms of Regulation 16 of Listing Regulations and Section 149(6) of the Companies Act, 2013.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Companies Act and Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact

their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

None of the Directors on the Board holds directorships in more than ten public companies. None of our Directors serve as a director/ independent director on more than seven listed entities. None of our Directors who is serving as whole time Director/ Managing Director in any listed entity is holding position of independent director in more than three listed entities. None of the Directors is a member of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

Number of Board Meetings

During 2020-21, the Board of Directors met five times on the dates as referred below in Table 2.

Table 2: Attendance of directors in Board Meetings and Annual General Meeting (AGM) held during the year in 2020-21

Name of the Director	Date of Board Meeting and Attendance of Directors						Date of AGM and Attendance of Directors
	June 04, 2020	July 30, 2020	August 31, 2020	November 04, 2020	January 21, 2021	March 03, 2021	August 17, 2020
Arun Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ashish Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Kartik Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pramod G Gujarathi	Yes	Yes	Yes	Yes	Yes	Yes	No
Tejpreet S Chopra	Yes	Yes	Yes	Yes	Yes	No	Yes
Lakshman Lakshminarayan	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Vellayan Subbiah	Yes	Yes	No	Yes	No	Yes	No
Meenakshi Gopinath	No	Yes	No	Yes	Yes	Yes	No
Bharti Gupta Ramola	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Puneet Yadu Dalmia	Yes	Yes	No	Yes	Yes	No	No
Yash Gupta	Yes	Yes	Yes	Yes	Yes	Yes	No

Remuneration of Directors

Table 3 gives the remuneration paid or payable to the Directors of SRF Limited for financial year 2020-21 and table 4 gives details of Service Contracts

Independent Directors' Meeting

In accordance with the applicable provisions of Companies Act, 2013 and Listing Regulations, a meeting of the Independent Directors of the Company was held on January 21, 2021, without the attendance of Non-Independent Directors and members of the management.

Familiarisation Programme

Your Company has put in place familiarisation programme for all its Directors including the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc and the familiarisation programme for the Independent Directors is available on the website of the Company at the link <https://www.srf.com/investors/corporate-governance/>

Table 3: Remuneration Paid or Payable

Sl. No.	Name of Director	Salary & Allowances	Sitting Fees	Perquisites	Provident Fund and Superannuation	Commission (Provided)/ Professional Fees	Total (₹ In Crores)
1	Arun Bharat Ram	2.88	-	0.24	0.49	4.00	7.61
2	Ashish Bharat Ram	3.76	-	1.15	0.47	4.00	9.38
3	Kartik Bharat Ram	3.76	-	0.98	0.47	4.00	9.21
4	Pramod G Gujarathi	0.19	-	-	0.01	-	0.20
5	Meenakshi Gopinath	-	0.02	-	-	0.15	0.17
6	Tejpreet S Chopra	-	0.05	-	-	0.14	0.19
7	Lakshman Lakshminarayan	-	0.05	-	-	0.14	0.19
8	Vellayan Subbiah	-	0.03	-	-	0.14	0.17
9	Bharti Gupta Ramola	-	0.04	-	-	0.14	0.18
10	Puneet Yadu Dalmia	-	0.03	-	-	0.14	0.17
11	Yash Gupta	-	0.05	-	-	0.14	0.19
Total		10.59	0.27	2.37	1.44	12.99	27.66

The Nomination and Remuneration Committee has laid down criteria for making payments to non-executive directors, which inter alia, includes level of remuneration /commission payable by other comparable companies, time devoted, experience, providing guidance on strategic matters and such other factors as it may deem fit.

The non-executive directors are entitled to remuneration up to an aggregate limit of one percent per annum of the net profits of the Company. Within the aforesaid limit, the commission payable is determined by the Board and equal amount of commission is payable to all the Independent Non-Executive Directors on a pro-rata basis. For the year under review, remuneration to non-executive directors was approved by the Board of Directors with the interested non-executive directors, not participating or voting in the resolution.

Table 4: Details of Service Contracts

Name of Director	Tenure	Notice Period	Severance Fee
Arun Bharat Ram	5 years w.e.f. June 15, 2018	6 months by either party	As per the provisions of the Companies Act, 2013
Ashish Bharat Ram	5 years w.e.f. May 23, 2020	3 months by either party	As per the provisions of the Companies Act, 2013
Kartik Bharat Ram	5 years w.e.f. June 01, 2021 (subject to reappointment at upcoming AGM)	3 months by either party	As per the provisions of the Companies Act, 2013
Pramod Gopaladas Gujarathi	3 years w.e.f. April 01, 2020	1 month by either party	Nil

Shareholding of Non-Executive Directors

Table 5 gives details of the shares held by the non-executive Directors as on March 31, 2021.

Table 5: Equity Shares held by Non-Executive Directors as on March 31, 2021

Name of Director	Category	Number of Equity Shares Held
Tejpreet S Chopra	Independent	578
Lakshman Lakshminarayan	Independent	-
Vellayan Subbiah	Independent	13,407
Bharti Gupta Ramola	Independent	-
Puneet Yadu Dalmia	Independent	-
Yash Gupta	Independent	200
Meenakshi Gopinath	Non-Independent	-

The Company has not issued any convertible securities to any Director

Information Supplied to the Board

The Board has complete access to all information with the Company. Inter-alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting:

- Annual operating plans and budgets and any update thereof
- Capital budgets and any updates thereof
- Quarterly results of the Company and operating divisions and business segments
- Minutes of the meetings of the audit committee and other committees of the Board
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary
- Materially important show cause, demand, prosecution notices and penalty notices
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture or collaboration agreement

- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

In addition to the above, pursuant to the Listing Regulations the minutes of the Board meetings of your Company's unlisted subsidiary companies and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board.

Code of Conduct

The Company's Board has laid down a Code of Conduct for all Board members and senior management of the Company. The Code of Conduct is available on

the website of the Company, <https://www.srf.com/investors/corporate-governance/>. All Board members and designated senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

Risk Management

The Company has laid down procedures to inform the Board members about the risk assessment and minimisation procedures. These procedures are being periodically reviewed to ensure that management controls risk through means of a properly defined framework.

Statutory Committees of the Board

a) Audit Committee

i) Terms of Reference

The terms of reference of the Audit Committee are wide enough covering the matters as per the guidelines set out in the Listing Regulations read with Section 177 of the Companies Act, 2013. These broadly includes approval of annual internal audit plan, review of financial reporting systems, ensuring compliance with regulatory guidelines, discussions on quarterly, half yearly and annual financial results, interaction with statutory, internal and cost auditors, recommendation for appointment, remuneration and term of auditors, examination of financial statements and auditors' report thereon, review the functioning of the Whistle Blower Mechanism, review and monitor the auditor's independence and performance and effectiveness of audit process, approval or any subsequent modification of transactions of the Company with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the company, wherever it is necessary, evaluation of internal financial controls and risk management systems, reviewing with the management adequacy of internal control system and reviewing the utilization of loan and/ or advances from/ investment by the holding company in the subsidiary company exceeding prescribed limit.

In addition, the Committee also mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations;

- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee. and
- 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).

ii) Composition of Audit Committee and Attendance of members in Audit Committee Meeting held during the year

As on March 31, 2021, the Audit Committee of SRF comprised of three Directors all of whom are independent, namely Lakshman Lakshminarayan as Chairman, Vellayan Subbiah and Bharti Gupta Ramola as members. The constitution of the Committee meets the requirements of Section 177 of the Companies Act, 2013, as well as Regulation 18 of Listing Regulations. All the members of the Audit Committee are financially literate. Chairman, Managing Director, Deputy Managing Director, CFO, Internal Auditors and Statutory Auditors are invitees to the Committee. Company Secretary of the Company acts as Secretary to the Committee.

Table 6 provides details of the Audit Committee meetings held during the year 2020-21 and attendance of its members.

Table 6: Attendance Record of Audit Committee Meetings during 2020-21

Name of Members	Category	Date of Audit Committee Meeting and Attendance of Members			
		June 04, 2020	July 30, 2020	November 04, 2020	January 21, 2021
Lakshman Lakshminarayan (Chairman)	Independent, Non-Executive	Yes	Yes	Yes	Yes
Vellayan Subbiah	Independent, Non-Executive	Yes	Yes	Yes	No
Bharti Gupta Ramola	Independent, Non-Executive	Yes	Yes	Yes	Yes

b) Nomination and Remuneration Committee

i) Terms of Reference :

The terms of reference of the Committee are wide enough covering the matters specified in Listing Regulations and the Companies Act, 2013 and Terms of reference of the Committee briefly are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- Formulation of criteria for evaluation of Independent Directors and the Board
- Devising a policy on Board diversity.
- Formulation of policies for remuneration to Directors, Key Managerial Personnel, Senior Management Personnel and other Employees.
- Identification and recommendation to Board of persons who are qualified to become Directors, Key Managerial Personnel and Senior Management Personnel in accordance with the criteria laid down.
- Recommend to the Board on appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel.
- Evaluation of the performance of Directors (other than independent directors).

- Evaluation of the performance of independent directors and make recommendations to Board.

- To oversee succession planning for Board of Directors, Key Managerial Personnel and Senior Management Personnel.

- Formulation of criteria for making payment to Non-Executive Directors

- Recommend to the board, all remuneration, in whatever form, payable to senior management.

ii) Composition of Nomination and Remuneration Committee and Attendance of members in the meetings of the Nomination and Remuneration Committee held during the year

As on March 31, 2021, this Committee comprised of three Directors, all of whom are independent, namely Tejpreet S Chopra (Chairman), Yash Gupta & Puneet Yadu Dalmia as Members. The constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013.

Table 7 provides details of the Nomination and Remuneration Committee meetings held during the year 2020-21 and attendance of its members.

Table 7: Attendance Record of Nomination and Remuneration Committee Meetings during 2020-21

Name of Members	Category	Date of NRC Meeting and Attendance of Members		
		May 27, 2020	July 30, 2020	January 20, 2021
Tejpreet S Chopra (Chairman)	Independent, Non-Executive	Yes	Yes	Yes
Puneet Yadu Dalmia	Independent, Non-Executive	Yes	Yes	Yes
Yash Gupta	Independent, Non-Executive	Yes	Yes	Yes

iii) Annual Evaluation of Board, Committees and Individual Directors

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and as per the

Nomination, Appointment and Remuneration Policy, the Board of Directors/ Independent Directors/Nomination & Remuneration Committee ("NRC") (as applicable) had undertaken an

evaluation of the Board's own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

- iv) Nomination, Appointment and Remuneration Policy**
Performance evaluation of independent directors is done by the Nomination and Remuneration Committee on criteria like attendance and participation in Board and committee meetings, advice on implementation of good corporate governance practices, diligence and independence in judgement and actions, good faith and interest of the stakeholders, etc. Based on the recommendations of the NRC, the Board of Directors decide to continue their appointment or consider them for reappointment.

The Company's Nomination, Appointment and Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and Functional Heads forms part of the Board's Report and is also accessible on Company's website www.srf.com.

c) Stakeholders Relationship Committee

As on March 31, 2021, this Committee comprised four Directors—two executive Directors and two non-executive Directors, namely Tejpreet S Chopra, Independent Director is Chairman, Yash Gupta, Independent Director and Ashish Bharat Ram & Kartik Bharat Ram Executive Directors are members of the Committee.

Table 8 provides details of the Stakeholders Relationship Committee meetings held during the year 2020-21 and attendance of its members.

Table 8: Attendance Record of Stakeholders Relationship Committee Meetings during 2020-21

Name of Members	Category	Date of Stakeholders Relationship Committee Meeting and Attendance of Members					
		30-Jun-2020	07-Aug-2020	07-Sep-2020	20-Oct-2020	01-Dec-2020	19-Feb-2021
Tejpreet S Chopra (Chairman)	Non-Executive, Independent	Yes	Yes	Yes	No	No	Yes
Ashish Bharat Ram	Executive, Promoter	Yes	Yes	Yes	Yes	Yes	Yes
Kartik Bharat Ram	Executive, Promoter	Yes	Yes	No	Yes	Yes	Yes
Yash Gupta	Non-Executive, Independent	Yes	Yes	Yes	Yes	Yes	Yes

Rajat Lakhanpal is Compliance Officer under Listing Regulations.

As on March 31, 2021, no investor complaint was pending with the Registrar and Share Transfer Agent. Table 9 gives data on the shareholder/investor complaints received and redressed during the year 2020-21.

Table 9: Shareholder and Investor Complaints received and redressed during 2020-21

Total Complaints Received	Total Complaints Redressed	Complaints not solved to the satisfaction of Shareholders	Pending as on March 31, 2021
167	167	Nil	Nil

d) Corporate Social Responsibility Committee

As on March 31, 2021, this Committee comprised of four Directors — Meenakshi Gopinath (Chairperson), Arun Bharat Ram, Kartik Bharat Ram and Lakshman Lakshminarayan as members. The constitution of the Committee meets the requirements of Section 135 of the Companies Act, 2013.

The terms of reference of the Committee in line with the requirements of the Section 135 of the Companies Act, 2013 and the rules framed thereunder.

Table 10 provides details of the Corporate Social Responsibility Committee meetings held during the year 2020-21 and attendance of its members.

Table 10: Attendance Record of CSR Committee Meetings during 2020-21

Name of Members	Category	Date of meeting and Attendance of Director	
		June 04, 2020	March 25, 2021
Meenakshi Gopinath (Chairperson)	Non-Independent, Non-Executive	No	Yes
Lakshman Lakshminarayan	Independent, Non-Executive	Yes	Yes
Arun Bharat Ram	Executive, Promoter	Yes	Yes
Kartik Bharat Ram	Executive, Promoter	Yes	Yes

e) Risk Management Committee

As on March 31, 2021, this Committee comprised of three Directors— Ashish Bharat Ram as Chairman, Kartik Bharat Ram and Bharti Gupta Ramola as Members. The composition of the Committee is in conformity with Regulation 21 of the Listing Regulations.

As on March 31, 2021, brief description of terms of reference of Risk Management Committee interalia includes the following:

- Oversee key risks, including strategic, financial, operational, compliance and cyber security risks.
- Assist the Board in framing, implementing, monitoring and reviewing the risk management plan/policy for the Company and reviewing and guiding the Risk Policy.
- Assist the Audit Committee in evaluating the effectiveness of Risk Management System.

Table 11 provides details of the Risk Management Committee meetings held during the year 2020-21 and attendance of its members.

Table 11: Attendance Record of Risk Management Committee Meeting during 2020-21

Name of Members	Category	Date of meeting and Attendance of Director	
		December 22, 2020	
Ashish Bharat Ram (Chairman)	Executive, Promoter	Yes	
Kartik Bharat Ram	Executive, Promoter	Yes	
Bharti Gupta Ramola	Independent, Non-Executive	Yes	

f) Committee of Directors – Financial Resources

As on March 31, 2021, this Committee comprised of three Directors— Arun Bharat Ram, Ashish Bharat Ram and Kartik Bharat Ram all of whom are executive directors.

Table 12 provides details of the Committee of Directors- Financial Resources meetings held during the year 2020-21 and attendance of its members.

Table 12: Attendance Record of Committee of Directors- Financial Resources Meetings during 2020-21

Name of Members	Date of Committee of Directors- Financial Resources Meeting and Attendance of Members											
	14-May-2020	08-Jul-2020	31-Jul-2020	26-Aug-2020	17-Sep-2020	07-Oct-2020	12-Nov-2020	16-Dec-2020	21-Jan-2021	10-Feb-2021	08-Mar-2021	30-Mar-2021
Arun Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ashish Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Kartik Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

g) QIP Committee

During the year the Board had constituted "QIP Committee" comprising of four Directors , Ashish Bharat Ram as Chairman of the Committee and Kartik Bharat Ram, Vellayan Subbiah and Tejpreet Singh Chopra as members of the Committee. The scope of the Committee was to issue and allot equity shares pursuant to Qualified Institutional Placement approved by the Board at its meeting held on August 31, 2020 and to decide on incidental matters related thereto.

Table 13 provides details of the QIP Committee meetings held during the year 2020-21 and attendance of its members.

Table 13: Attendance Record of QIP Committee Meetings during 2020-21

Name of Members	Category	Date of QIP Meeting and Attendance of Members		
		October 12, 2020	October 16, 2020	October 17, 2020
Ashish Bharat Ram (Chairman)	Executive, Promoter	Yes	Yes	Yes
Kartik Bharat Ram	Executive, Promoter	Yes	Yes	Yes
Tejpreet S Chopra	Independent, Non-Executive	Yes	Yes	Yes
Vellayan Subbiah	Independent, Non-Executive	Yes	No	No

Management

Management Discussion and Analysis

This is given as a separate chapter in this Annual Report.

Disclosure Requirements

- During the year 2020-21, the Company had no materially significant related party transactions. Transactions with related parties are disclosed in Note No 32 to the Financial Statements. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said policies are available on the website of the Company at the <https://www.srf.com/investors/corporate-governance/>. Policy of determining 'material subsidiaries' is available on the website of the Company at the <https://www.srf.com/investors/corporate-governance/>.
- The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. The Company has complied with all the applicable requirements of capital markets and no penalties or strictures have been imposed on the Company by Stock Exchange(s), SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.
- Vigil Mechanism Policy : Section 177 (9) of the Companies Act, 2013 and Regulation 22 of Listing Regulations requires that a Company shall have a vigil mechanism for directors and employees for reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Vigil Mechanism Policy of the Company includes Code of Conduct for Directors and Senior Management Personnel, Code of Conduct for employees, Policy against

sexual harassment, Whistle blower Policy and Code of Conduct for Prevention of Insider Trading. The Company is following such a policy and crux of which is disclosed by the Company on its website at the <https://www.srf.com/investors/corporate-governance/>. No personnel has been denied access to the Audit Committee for raising his/her concern under this policy during financial year 2020-21.

- The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 (as applicable) and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations
- This Corporate Governance Report of the Company for the year 2020-21 is in compliance with the requirements of Listing Regulations, as applicable.

Non-Mandatory Requirement

The status of adoption of the non-mandatory requirements as specified in sub – regulation 1 of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

- (a) The Board :** The Chairman of the Company is Executive Chairman; **(b) Shareholder Rights:** Half-yearly and other quarterly financial statements are published in newspapers and uploaded on Company's website www.srf.com **(c) Modified opinion(s) in audit report:** The Company already has in place a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements; and **(d) Reporting of Internal Auditor:** The Internal Auditor of the Company reports to the President & CFO of the Company and has direct access to the Audit Committee.

CEO/CFO certification

The Certificate in compliance with Regulation 17(8) of Listing Regulations was placed before the Board of Directors.

Appointment/ Reappointment/Resignation of Directors

Dr. Meenaskhi Gopinath, Director is retiring by rotation and has expressed her intention not to seek re-appointment.

Mr. Arun Bharat Ram has expressed his intention to step down as Executive Chairman and Director of the Company from the closing of business hours on March 31, 2022.

Mr. Arun Bharat Ram joined the Board of the Company in 1975 and has been instrumental to the spectacular success of the Company and the Group over the last five decades. Considering his tremendous experience, it would be in the interest of the Company to continue to benefit from his rich experience, valuable knowledge and wisdom from time to time in a role of the mentor to the Board of Directors.

In light of the above and in recognition of his services, the Board at its meeting held on 28 July, 2021, on the recommendation of Nomination and Remuneration Committee and with approval by the Audit Committee recommend to the shareholders to confer upon Mr. Arun Bharat Ram, the status and title of Chairman Emeritus of the Company for a term of five years with effect from 1 April 2022.

Table 14 : Last three AGMs of the Company

Year	Location	Date	Time	No. of Special Resolutions Passed
2017-18	Laxmipat Singhanian Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 Same as Above	August 07, 2018	11.00 A.M.	7
2018-19	Laxmipat Singhanian Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 Same as Above	August 05, 2019	3.30 P.M.	2
2019-20	Video Conferencing. Deemed Venue- The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091	August 17, 2020	11.00 A.M.	2

Postal Ballot

During the year the Company had passed Special Resolution for approval for raising of funds by issuance of equity shares through Qualified Institutions Placement(s) as per following details :

Date of Postal Ballot Notice : August 31, 2020	Voting period : September 09, 2020 to October 08, 2020
Date of approval : October 08, 2020	Date of declaration of result : October 09, 2020

The present tenure of service of contract of Kartik Bharat Ram, Deputy Managing Director is upto May 31, 2021. Kartik Bharat Ram has been re-appointed as Deputy Managing Director for a period of 5 years wef June 01 2021 subject to approval by shareholders at the ensuing Annual General Meeting.

Brief resume of Mr. Kartik Bharat Ram, Director proposed to be re-appointed is given in the Notice of the 50th Annual General Meeting.

Means of Communication with Shareholders

Quarterly and annual results of SRF are published in two major national dailies, generally Business Standard / Financial Express (in English) and Jansatta (in Hindi). In addition, these results are posted on the website of the Company, www.srf.com. The website also contains other information regarding SRF available in the public domain.

SRF communicates with its institutional shareholders through analysts briefing and individual discussions between the fund managers and the management team. The presentations made to analysts and funds managers are posted on the Company's website.

General body meetings

Last three Annual General Body Meetings

The details of the last three AGMs are given in Table 14.

Sl. No.	Name of the resolution	Type of resolution	No. of votes polled	Votes cast in favour		Votes cast against	
				No. of votes	%	No. of votes	%
1	Approval for raising of funds by issuance of equity shares through Qualified Institutions Placement(s)	Special	43739534	43737762	99.9959	1772	0.0041

Procedure for Postal Ballot In compliance with Listing Regulations and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs for holding general meetings/ conducting postal ballot process through e-voting vide General Circular Nos. 14/2020 dated April 08, 2020 and 17/2020 dated April 13, 2020 in view of COVID-19 pandemic, the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company has availed E-voting facility offered by KFin Technologies Private Limited (R&T Agent of the Company) for conducting e-voting by members of the Company and as permissible under the Act, notices to the shareholders were sent through e-mail whose e-mail ids were registered with depository participants and Registrar and Transfer Agent. The Company has also provided option for e-voting to those shareholders, who held shares in Physical form. In compliance with the requirements of the MCA Circulars, hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope were not sent to the shareholders for this Postal Ballot and shareholders were requested to communicate their assent/dissent through the remote e-voting system only. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements and procedure for registration of the email address as mandated under the Act and applicable Rules and recent circulars.

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 were entitled to exercise their votes by electronic mode only and were requested to vote before close of business hours on the last date of e-voting. The scrutinizer submitted his report to Mr. Rajat Lakhnpal, VP (Corporate Compliance) & Company Secretary (who was duly authorised by the Chairman in this regard), after the completion of scrutiny, the results of the voting by postal ballot were then announced by him. The results were also displayed on the website of the Company, www.srf.com, besides being communicated to the stock exchanges, depositories and registrar and share transfer agent. The date of passing of the resolutions was 08.10.2020 i.e. last date of voting and date of declaration of the results was 09.10.2020.

Additional Shareholder Information 50th Annual General Meeting

Day: Tuesday
Date: August 31, 2021
Time: 11.00 A.M.

Venue: The Company is conducting meeting through VC / OAVM pursuant to the MCA Circulars dated January 13, 2021 read together with Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 and deemed venue for meeting will be Registered Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091 For details please refer to the Notice of this AGM.

Financial Year

1 April to 31 March

Tentative Financial Calendar for Results, 2021-22

First Quarter	Last week of July 2021
Second Quarter	Last week of October 2021
Third Quarter	First week of February 2022
Fourth Quarter and Annual	Second week of May 2022

Interim Dividend Payment Date

Two interim dividends of ₹ 5 (50 per cent) and ₹ 19 per share (190 per cent) on the paid up capital of the Company absorbing ₹ 141.31 Crores approx. were paid on August 28, 2020 and February 19, 2021 respectively.

Details of Utilisation of Funds raised through Qualified Institutions Placement (QIP)

During the year 2020-21, the Company allotted 1764705 equity shares through Qualified Institutional Placement(QIP) at an issue price of ₹ 4250 per equity share (including a premium of ₹ 4240 per equity share) aggregating to ₹ 750 crore on October 17, 2020. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 as amended and Sections 42 and 62 of the Companies Act 2013 as amended including the rules made thereunder.

Out of the proceeds of ₹ 750 Crores raised under Qualified Institutional Placement of the Company, ₹ 738.01 Crores were utilised for repayment of outstanding borrowings and ₹ 11.99 Crores were utilized for Incidental expenses in relation to QIP, as per Objects of the Issue.

Details of Total fees paid to Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part

B S R & Co. LLP, Chartered Accountant who are the Statutory Auditors of the Company are a part of B S R & Affiliates network. During financial year 2020-21, total fees paid by the Company and its subsidiaries on a consolidated basis to B S R & Co. LLP, Chartered Accountant and all entities forming part of B S R & Affiliates network is given below -

Name of Company	Name of Entity forming part of B S R & Affiliates network	Details of remuneration	Amount (in Crores)
SRF Limited	B S R & Co. LLP, Chartered Accountant	- Audit fees	0.65
		- For limited review of unaudited financial results	0.54
		- For Corporate governance, consolidated financial statements and other certificates	0.07
		- For tax audit	0.08
		- Reimbursement of out of pocket expenses	0.08
		Total	1.42

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year 2020-21

No. of complaints filed during the financial year	0
No. of complaints disposed off during the financial year	0
No. of complaints pending as on the end of the financial year	0

List of Credit Ratings

Instrument	Rating Agency	Rating	Outlook
Fund Based and Non-Fund Based Limits	India Ratings	IND AA+/Stable/IND A1+	Stable
Fund Based and Non-Fund Based Limits	CRISIL	CRISIL AA+/Stable/ CRISIL A1+	Stable
Long Term Loans	India Ratings	IND AA+/Stable	Stable
Long Term Loans	CRISIL	CRISIL AA+/Stable	Stable
Commercial Papers	India Ratings	IND A1+	Stable
Commercial Papers	CRISIL	CRISIL A1+	Stable
Non-Convertible Debentures	CRISIL	CRISIL AA+/Stable	Stable

During the year under review there is no revision in Credit Rating.

Listing on Stock Exchanges in India

SRF's shares are listed on the BSE and the NSE and debentures are listed on NSE. The Company has paid the listing fee to both BSE and NSE for the year 2021-22. The Stock Codes are:

Stock Exchanges	Equity Shares	Debentures
BSE Limited 25th Floor, P.J. Towers Dalal Street, Mumbai 400 001	503806	
National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex, Bandra (E) Mumbai 400 051	SRF	SRF 22

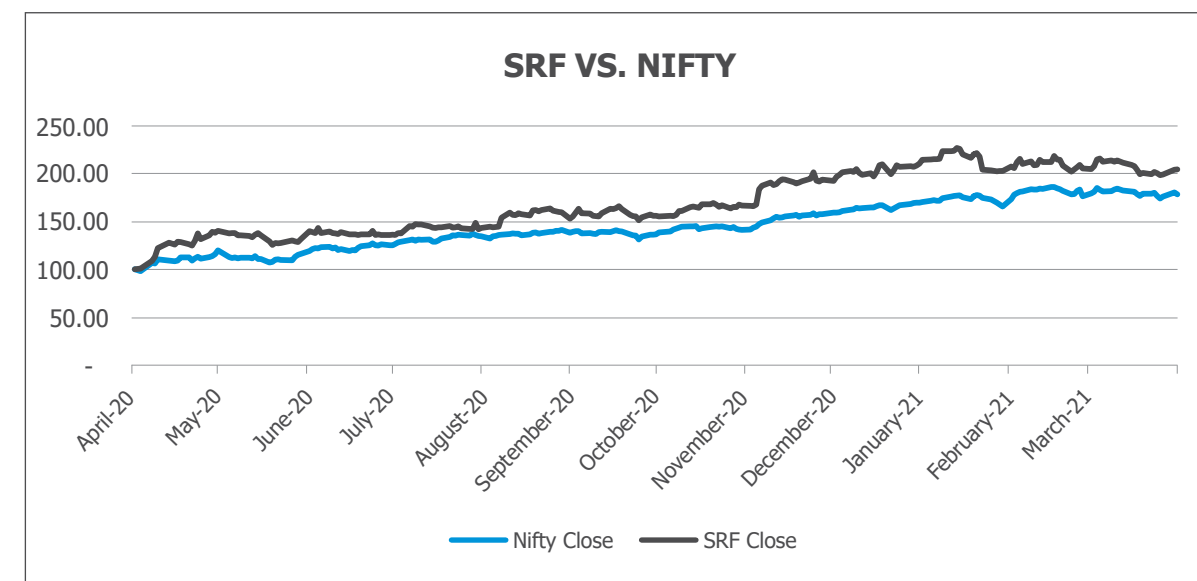
Stock Market Data

Table 15 gives the monthly high and low quotations as well as the volume of shares traded at BSE and NSE during 2020-21.

Table 15: Monthly Highs and Lows and Volumes Traded at the BSE and NSE during 2020-21

Month	BSE			NSE		
	Highest Price (₹)	Lowest Price (₹)	Volume (No.)	Highest Price (₹)	Lowest Price (₹)	Volume (No.)
Apr-20	3770	2565.8	2,53,449	3772	3718.75	63,71,332
May-20	3728.3	3310	1,37,007	3729	3306	39,71,986
Jun-20	3,849.70	3,517.10	3,49,259	3844.5	3511.8	63,28,595
Jul-20	4,042.25	3,586.00	3,48,292	4043.55	3585	65,89,662
Aug-20	4,437.00	3,775.00	3,19,852	4439.15	3785	74,41,830
Sep-20	4,475.00	3,996.20	1,84,181	4475	3993.6	56,15,510
Oct-20	4,555.25	4,090.05	1,37,905	4557.3	4093	49,23,658
Nov-20	5,365.00	4,334.50	2,12,178	5367.2	4334.15	69,06,784
Dec-20	5,640.00	5,067.35	1,48,377	5643.75	5066.35	39,66,463
Jan-21	6,075.00	5,239.90	2,11,551	6070.5	5240	44,18,996
Feb-21	5,840.35	5,288.70	1,66,063	5842.5	5285.4	35,58,309
Mar-21	5,815.40	5,133.15	1,58,375	5820.5	5131.05	27,49,711

Chart 1: Share prices of Nifty versus SRF Limited for the year ended March 31 2021



Note: Both Nifty and SRF share prices are indexed to 100 as on April 01, 2020

Registrar and Share Transfer Agents

M/s KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), Hyderabad are the Registrar and Share Transfer Agent of the Company for handling both electronic and physical shares.

Share Transfer System

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 request for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in dematerialized form with the depositories. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Depository System

Shareholders can trade in the Company's shares only in electronic form. The process for getting the shares de-materialised is as follows:

- Shareholder submits the shares certificate along with De-materialisation Request Form (DRF) to Depository Participant (DP)

- DP processes the DRF and generates a unique De-materialisation Request No
- DP forwards the DRF and share certificates to the Registrar and Share Transfer Agent (RTA)
- RTA after processing the DRF confirms or rejects the request to Depositories
- If confirmed by the RTA, depositories give the credit to shareholder in his /her account maintained with DP

This process takes approximately 10-15 days from the date of receipt of DRF.

As the trading in the shares of the Company can be done only in the electronic form, it is advisable that the shareholders who have the shares in physical form get their shares dematerialised.

Dematerialisation of Shares & Liquidity

As on March 31, 2021, out of 5,92,45,205 Equity Shares of ₹ 10/- each, 5,84,37,368 shares (98.64%) were held in electronic form by 67276 shareholders and balance 8,07,837 shares (1.36%) were held by 8,664 shareholders.

Distribution of Shareholding as on March 31, 2021[@]

Table 16 gives the distribution of shares according to shareholding class, while Table 17 gives the distribution of shareholding by ownership.

Table 16: Pattern of Shareholding by Share Class as on March 31, 2021

No. of Equity Shares held	No. of shareholders	% of Shareholders	No. of shares	% of Shareholding
Upto 5000	73,497	96.68	39,68,209	6.70
5001- 10000	1,371	1.80	9,92,566	1.68
10001- 20000	507	0.67	7,42,151	1.25
20001- 30000	173	0.23	4,39,912	0.74
30001- 40000	87	0.11	3,11,054	0.53
40001- 50000	61	0.08	2,79,230	0.47
50001- 100000	117	0.15	8,46,762	1.43
100001& Above	207	0.27	5,16,65,321	87.21
Total	76,020	100.00	5,92,45,205	100.00

Table 17: Pattern of Shareholding by Ownership as on March 31, 2021

Sl. No.	Category	No. of Shares	% Equity
1	PROMOTER COMPANIES	3,00,49,000	50.72
2	FOREIGN PORTFOLIO - CORP	1,09,06,315	18.41
3	RESIDENT INDIVIDUALS	64,88,926	10.95
4	MUTUAL FUNDS	64,65,559	10.91
5	QUALIFIED INSTITUTIONAL BUYER	29,42,306	4.97
6	NON RESIDENT INDIAN NON REPATRIABLE	7,11,303	1.20
7	BODIES CORPORATES	4,88,845	0.83
8	I E P F	3,87,408	0.65
9	H U F	1,95,552	0.33
10	ALTERNATIVE INVESTMENT FUND	1,32,692	0.22
11	NON RESIDENT INDIANS	1,14,752	0.19
12	INSURANCE COMPANIES	1,01,532	0.17
13	CLEARING MEMBERS	78,976	0.13
14	EMPLOYEES	75,038	0.13
15	BANKS	41,067	0.07
16	PROMOTERS	27,500	0.05
17	FOREIGN INSTITUTIONAL INVESTORS	14,904	0.03
18	DIRECTORS	13,985	0.02
19	NBFC	3,517	0.01
20	UNIT TRUST OF INDIA	3,503	0.01
21	TRUSTS	2,525	0.00
	Total	5,92,45,205	100.00

[@]Including holdings by NSDL and CDSL

Outstanding GDRs/ ADRs/ Warrants or Any Convertible Instruments, Their Conversion Dates and Likely Impact on Equity

As on March 31, 2021, there were no outstanding GDRs/ ADRs/ Warrants or any convertible instruments

Commodity price risk or foreign exchange risk and hedging activities

During the year 2020-21, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. There is no direct hedgeable commodity risk that the Company has on any of its raw materials or finished products. Thus, the Risk Management Policy covers only net forex exposure on account of its imports and exports.

The details of foreign currency exposure are disclosed in the Note No. 38 to the Financial Statements.

Plant Locations

Business	Plant Locations
Technical Textiles Business	<ul style="list-style-type: none"> Manali Industrial Area, Manali, Chennai-600068, Tamil Nadu Industrial Area, Malanpur, Distt. Bhind-477116, MP Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi, Dist. Thiruvallur- 601 201, Tamil Nadu Viralimalai, Distt. Pudukottai - 621 316, Tamil Nadu Plot No. 12, Rampura, Ramnagar Road, Kashipur, Dist. Udham Singh Nagar-244713, Uttarakhand
Chemicals and Other Business	<ul style="list-style-type: none"> Village & P.O. Jhiwana, Tehsil Tijara, Distt. Alwar - 301 018, Rajasthan DII / I GIDC. PCPIR,GIDC Phase II, Tal Vagra, Vill. Dahej, Dist Bharuch-392130, Gujarat
Packaging Films Business	<ul style="list-style-type: none"> Plot No. 12, Rampura, Ramnagar Road, Kashipur, Dist. Udham Singh Nagar-244713, Uttarakhand Plot No. C 1-8, C 21-30, Sector 3, Indore Special Economic Zone, Pitam Pur, Dist. Dhar-454775, Indore, MP Plot No. 675, Industrial Area, Sector 3, Village Bagdoon, Pithampur, Dist. Dhar - 454775, Indore MP Plot No 3-A, Industrial Growth Sector Kheda, Kheda, Dist-Dhar, Madhya Pradesh, 454775

Address for Correspondence

Registered Office	Corporate Office	Registrar & Share Transfer Agent	Debenture Trustee
The Galleria, DLF Mayur Vihar, Unit No.236 & 237, Second Floor, Mayur Place, Mayur Vihar, Phase-I Extn., Delhi - 110091 Tel No.: (+ 91-11) 49482870 Fax No.: (+ 91-11) 49482900 E-mail : cs@srf.com	Block – C, Sector –45 Gurugram 122 003 Tel No.: (+ 91-124) 4354400 Fax No.: (+ 91-124) 4354500 E-mail : cs@srf.com	KFin Technologies Private Limited Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500032 E-mail : einward.ris@kfintech.com Website: https://www.kfintech.com Toll Free No. 1- 800-309-4001	Vistra ITCL (India) Limited The IL&FS Financial Centre Plot C-22, G Block Bandra Kurla Complex, Bandra East, Mumbai 400 051 Website: www.vistra.com Contact Person: Supratik Dasgupta, Sr. Relationship Manager,Corporate Trust & Funds Capital Market Email: supratik.dasgupta@vistra.com Tel No. : (+91-11) 46577591

Declaration Regarding Code of Conduct

I, Ashish Bharat Ram, Managing Director of SRF Limited hereby declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended March 31, 2021.

Date: May 5, 2021
Place: New Delhi

Ashish Bharat Ram
Managing Director

CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

(Pursuant to regulation 34(3) and schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
SRF LIMITED
The Galleria, DLF Mayur Vihar, Unit No. 236 & 237
2nd Floor, Mayur Vihar Phase-1 New Delhi-110091

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SRF LIMITED having CIN:L18101DL1970PLC005197 and having registered office at The Galleria, DLF Mayur Vihar, Unit No. 236 & 237 2nd Floor, Mayur Vihar Phase-1 New Delhi-110091 (hereafter referred to as "the Company"), in accordance with Regulations 34(3) read with Scheduled V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements, 2015). In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors of the Board of the Company as stated below for the financial year ending March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or nay such other Statutory Authority.

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. 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.

For **S. Aggarwal & Associates**
(Company Secretaries)

CS Sanjay Aggarwal
Proprietor

C.O.P No. 8989, Membership No. 6158
UDIN: F006158C000146419

Date : April 21, 2021
Place: New Delhi

INDEPENDENT AUDITORS' REPORT

To the Members of SRF Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of SRF Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

The key audit matter

Accounting for derivatives

An important element of Company's fund-raising strategy involves various types of borrowings including foreign currency denominated borrowings and a combination of fixed and floating interest rates, and also foreign currency denominated loans and advances to other parties. The Company's operating activities are also exposed to significant foreign exchange risk (refer to note 38 of the standalone financial statements).

The Company uses derivative financial instruments to mitigate foreign currency risk and interest rate risk primarily through foreign currency forward exchange contracts and interest rate swaps.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

How the matter was addressed in our audit

In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:

- Tested the design, implementation and operating effectiveness of controls over the Company's treasury and other related functions which directly impact the relevant account balances and transactions, including hedge accounting.
- For selected samples via statistical sampling, obtained external confirmations from counterparties of the year end positions as well as agreed to original agreements.

The key audit matter

Further, the Company has been using hedge relationship designation as per criteria set out in relevant Indian accounting standards.

Accounting thereof and related presentation and disclosures of these transactions require significant judgement.

Given the significant level of judgement and estimation involved and the quantitative significance, we have determined this to be a key audit matter.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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

How the matter was addressed in our audit

- Performed sample tests of valuation and accounting of these transactions. In doing so we have involved valuation specialists to assist us in carrying out aforesaid procedure, as considered necessary.
- Assessed the adequacy of disclosures in the financial statements in respect of both non-derivative and derivative financial instruments.

assets of the Company and for preventing and detecting frauds and other irregularities; selection 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 controls.
- obtain an understanding of internal control 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 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 in the standalone financial statements made by the Management and Board of Directors.
- conclude on the appropriateness of the 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 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; and

- 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.

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 auditors' 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, 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 purposes 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 specified under section 133 of the Act.
 - e) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 31 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- Refer Note 38 to the standalone financial statements ;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore

Partner

Place: Delhi
Date: 21 May 2021

Membership No.: 090075
UDIN: 21090075AAAAAJ3973

ANNEXURE A to the Independent Auditors' report on the standalone financial statements of SRF Limited for the year ended 31 March 2021

Statement on matters specified in paragraphs 3 and 4 of the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).
- b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all fixed assets (property, plant

and equipment) are verified, in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain assets have been physically verified by the Management during the current year. As informed to us, no material discrepancies were noticed on such verification.

- c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed/ lease deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold/ leasehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land and building	Gross Block 31 March 2021 (₹ in crores)	Net Block 31 March 2021 (₹ in crores)	Remarks
Land at Gummudipoondi	1.21	1.21	Out of the Industrial Free hold land measuring 32.41 acres at the Company's plant in Gummudipoondi, the Company does not have clear title to 2.43 acres.
Land at Bharuch, Dahej	108.55 (Carried cost)	108.55 (Carried cost)	The execution of lease deed of land in respect of 1,149,550 square meters of leasehold land allotted to the Company by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

- (ii) The inventories, except goods in transit, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to a company covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'):

- a) In our opinion, the rate of interest and other terms and conditions on which the loans have been granted to the aforesaid company listed in the register maintained

under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company;

- b) In case of the loans granted to the aforesaid company, listed in the register maintained under Section 189 of the Act, the schedule of repayment of the principal and payment of interest has been stipulated in the loan agreement and, as per the terms stipulated, no amount was due during the current year;
- c) There are no overdue amounts in respect of the loans granted to the aforesaid company listed in the register maintained under Section 189 of the Act. Accordingly, para 3 (iii) (c) of the Order is not applicable.

According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) The Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for activities carried out by the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost

records under Section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records.

- (vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income-tax, Sales-tax, Goods and Services Tax ("GST"), Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues, as applicable, have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Sales-tax, GST, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues, as applicable, were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues in respect of Income-tax, Sales-tax, Service tax, Duty of custom, Duty of excise, GST and Value added tax, as applicable, which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (₹ Crores)
Central Excise Laws	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2009-2015	14.11
		Upto Commissioner (Appeals)	1993-2002	9.32
Service Tax Laws	Service Tax	Upto Commissioner (Appeals)	2006-2015	1.58

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (₹ Crores)
Service Tax Laws	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2008-2012	0.98
Customs Laws	Customs Duty	Supreme Court	2012-2013	1.27
		High Court	2016-2019	0.27
		Upto Commissioner (Appeals)	2002	0.17
Sales Tax Laws	Sales Tax	High Court	2015-2016	0.34
		Sales Tax Appellate Tribunal	1993-2017	5.34
		Upto Commissioner (Appeals)	1988-2017	8.02
Income Tax Laws	Income Tax	Supreme Court	Assessment year ('AY') 1989-1990	1.13
		Upto Commissioner (Appeals)	AY 2019-2020	0.66
		Dispute Resolution Panel (DRP)	AY 2016-2017	4.04
Goods & Service tax Laws	Goods & Services tax	Upto Commissioner (Appeals)	2017-2019	0.28

The following matters, which have been excluded from the above table, have been decided in favour of the Company but the department has preferred appeals at higher levels. The details are given below:

Name of the Statute	Nature of the dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount (₹ Crores)*
Income Tax Laws	Income Tax	High Court	AY 2000-2004	5.55
Central Excise Laws	Excise Duty	High Court	1994-1995	1.18
		Upto Commissioner (Appeals)	1989-1995	2.24
Custom Duty	Custom Duty	Upto Commissioner (Appeals)	2012-2013	0.01

* The amounts disclosed are net of payments and include interest and penalties, wherever applicable.

Also refer to note 31(b)(ii) of the standalone financial statements with regard to income tax demand raised subsequent to year-end.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers or to any financial institutions and dues to debenture holders. The Company did not have any loans or borrowings from government during the year.

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loans have been applied by the Company during the year for the purposes for which they were raised. In our opinion and according to the information and

explanations given to us and on the basis of our examination of the records of the Company, during the current year, the Company has raised ₹ 250 crores through private placement of non-convertible debentures. The proceeds of the issue have been utilized for repayment of borrowings. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/further public offer (including debt instruments) during the year. Also refer to sub-para (xiv) below in respect of the Qualified Institutional Placement made by the Company during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the Company has complied with the provisions of section 42 of the Companies Act, 2013 in respect of the shares issued through Qualified Institutional Placement (QIP) during the year. The proceeds from QIP is ₹ 750 crores. The proceeds of the issue (net of share issue expenses of ₹ 11.99 crores) have

been utilized for repayment of borrowings. During the year, the Company did not make preferential allotment/private placement of fully/partly convertible debentures.

(xv) According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order and provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Kaushal Kishore

Partner

Place: Delhi

Date: 21 May 2021

Membership No. 090075

UDIN: 21090075AAAAAJ3973

ANNEXURE B to the Independent Auditors' report on the standalone financial statements of SRF Limited for the year ended 31 March 2021

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 Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of SRF Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls 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 financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were established and maintained and whether 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 judgement, 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 financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to 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 controls with reference to financial statements include 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore

Partner

Place: Delhi

Date: 21 May 2021

Membership No. 090075

UDIN: 21090075AAAAAJ3973

BALANCE SHEET

as at March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	5,568.33	5,303.64
Right-of-use assets	37	216.76	227.58
Capital work-in-progress		436.13	345.88
Goodwill	3	0.62	0.62
Other intangible assets	4	109.88	116.46
Financial assets			
(i) Investments	5	87.76	87.76
(ii) Loans	6	382.61	43.89
(iii) Other financial assets	7	44.70	15.86
Non-current tax assets (net)	20	33.74	35.03
Other non-current assets	8	173.36	27.96
Total non - current assets		7,053.89	6,204.68
Current assets			
Inventories	9	1,286.70	1,110.32
Financial assets			
(i) Investments	5	412.52	198.50
(ii) Trade receivables	10	1,012.00	768.71
(iii) Cash and cash equivalents	11	86.72	98.26
(iv) Bank balances other than above	12	143.71	9.03
(v) Loans	6	283.67	8.41
(vi) Other financial assets	7	215.45	170.16
Other current assets	8	216.64	251.51
Total current assets		3,657.41	2,614.90
TOTAL ASSETS		10,711.30	8,819.58
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	60.26	58.50
Other equity	14	6,235.01	4,625.75
Total equity		6,295.27	4,684.25
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	1,422.24	1,117.43
(ii) Lease liabilities	37	63.83	73.98
(iii) Other financial liabilities	19	0.54	22.87
Provisions	16	38.23	33.28
Deferred tax liabilities (net)	17	326.46	124.42
Total non - current liabilities		1,851.30	1,371.98

BALANCE SHEET (CONTD.)

as at March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Current liabilities			
Financial liabilities			
(i) Borrowings	15	762.26	804.80
(ii) Lease liabilities	37	13.80	13.71
(iii) Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		33.37	30.36
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,163.12	927.08
(iv) Other financial liabilities	19	499.66	891.72
Other current liabilities	21	75.79	80.29
Provisions	16	7.00	5.64
Current tax liabilities (net)	20	9.73	9.75
Total current liabilities		2,564.73	2,763.35
Total Liabilities		4,416.03	4,135.33
TOTAL EQUITY AND LIABILITIES		10,711.30	8,819.58
Summary of significant accounting policies	1B		
See accompanying notes to the standalone financial statements	2 to 41		

As per our report attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place : Delhi
Date : May 21, 2021

For and on behalf of the Board of Directors

Ashish Bharat Ram
Managing Director
DIN - 00671567
Place : Delhi
Date : May 05, 2021

Rahul Jain
President & CFO
Place : Gurugram
Date : May 05, 2021

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557
Place : Delhi
Date : May 05, 2021

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram
Date : May 05, 2021

Rajat Lakhanpal
Vice President
(Corporate Compliance)
and Company Secretary
Place : Delhi
Date : May 05, 2021

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from operations	22	6,988.32	6,330.84
II Other income	23	63.30	53.29
III Total Income (I + II)		7,051.62	6,384.13
IV Expenses			
Cost of materials consumed	24.1	3,278.50	3,198.85
Purchases of stock-in-trade	24.2	60.49	91.40
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.3	(28.21)	(95.74)
Employee benefits expense	25	534.13	487.08
Finance costs	26	111.21	182.11
Depreciation and amortisation expense	27	383.60	353.21
Other expenses	28	1,401.93	1,386.74
Total Expenses (IV)		5,741.65	5,603.65
V Profit before tax from continuing operations (III - IV)		1,309.97	780.48
VI Tax expense related to continuing operations	29		
Current tax		327.23	104.26
Deferred tax			
MAT credit entitlement		(5.38)	(36.73)
Others		63.06	(80.64)
Total tax expense related to continuing operations		384.91	(13.11)
VII Profit for the year from continuing operations (V - VI)		925.06	793.59
VIII Profit before tax from discontinued operations	40	-	241.82
IX Tax expense related to discontinued operations	29	-	61.23
X Profit for the year from discontinued operations (VIII - IX)		-	180.59
XI Total Profit for the year (VII + X)		925.06	974.18
XII Other comprehensive income			
A Items that will not be reclassified to profit or loss			
(i)(a) Gain / (loss) of defined benefit obligation	14.2, 33.2	2.41	(8.19)
(i)(b) Income tax on item (i)(a) above	14.2, 30	(0.84)	2.86
B Items that will be reclassified to profit or loss			
(i)(a) Effective portion of gain / (loss) on hedging instruments in a cash flow hedge	14.3	132.33	(164.79)

STATEMENT OF PROFIT AND LOSS (CONTD.)

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
(i)(b) Income tax on item (i)(a) above	14.3, 30	(46.24)	57.58
(ii)(a) Cost of Hedging Reserve	14.10	0.95	-
(ii)(b) Income tax on item (ii)(a) above	14.10, 30	(0.33)	-
Total other comprehensive income for the year, net of taxes (A(i+ii) + B(i+ii))		88.28	(112.54)
XIII Total comprehensive income for the year (XI + XII)		1,013.34	861.64
Basic and Diluted Earnings per equity share (in ₹)			
From continuing operations	36	158.72	138.06
From discontinued operations	36	-	31.42
From continuing and discontinued operations	36	158.72	169.48
Summary of significant accounting policies	1B		
See accompanying notes to the standalone financial statements	2 to 41		

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Date : May 05, 2021

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Vice President
(Corporate Compliance)
and Company Secretary
Place : Delhi
Date : May 05, 2021

CASH FLOW STATEMENT

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax		
- Continuing Operations	1,309.97	780.48
- Discontinued Operations	-	241.82
Profit before tax including discontinued operations	1,309.97	1,022.30
Adjustments for:		
Finance costs	111.21	182.27
Interest income	(9.24)	(12.35)
Net gain on sale / discarding of property, plant and equipment	(0.39)	(12.76)
Net gain on financial assets measured at fair value through profit and loss	(25.45)	(9.38)
Credit impaired assets provided / written off	12.06	1.88
Amortisation of grant income	-	(2.64)
Depreciation and amortisation expense	383.60	353.62
Property, plant and equipment and inventory discarded / provided	3.36	11.12
Provision / liabilities no longer required written back	(11.42)	(2.82)
Net unrealised currency exchange fluctuation loss / (gains)	7.59	3.50
Profit on slump sale of business	-	(233.74)
Employee share based payment expense	0.97	0.97
Stamp duty on purchase of investments	0.15	-
Adjustments for (increase) / decrease in operating assets :-		
Trade receivables	(274.12)	89.75
Inventories	(178.37)	(44.54)
Loans (current)	(1.18)	(2.98)
Loans (non-current)	(2.58)	(9.84)
Other assets (current)	50.06	116.19
Other assets (non-current)	(1.99)	(2.57)
Adjustments for increase / (decrease) in operating liabilities :-		
Trade payables	248.04	(130.76)
Provisions	6.32	7.59
Other liabilities (non-current)	-	0.56
Other liabilities (current)	22.01	31.80
Cash generated from operations	1,650.60	1,357.17
Income taxes paid (net of refunds)	(229.00)	(140.76)
Net cash generated from operating activities	1,421.60	1,216.41
B CASH FLOW FROM INVESTING ACTIVITIES		
Net proceeds / (purchases) of current investments	(188.57)	(88.63)
Stamp duty on purchase of investments	(0.15)	-
Purchase of non-current investments	-	(4.05)
Interest received	0.07	13.11
Bank balances not considered as cash and cash equivalents	(134.68)	0.30
Proceeds from slump sale of business	-	315.77
Costs incurred on slump sale of business	-	(5.71)
Income tax paid on profit on slump sale of business	-	(40.84)
Payment for purchase of property, plant and equipment, capital work-in-progress and other intangible assets	(853.05)	(627.69)
Proceeds from disposal of property, plant and equipment	4.06	15.67
Loan to subsidiaries	(617.49)	-
Net cash used in investing activities	(1,789.81)	(422.07)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	750.00	-
Costs incurred on issue of shares	(11.99)	-
Proceeds from borrowings (Non-current)	1,294.04	156.59
Repayment of borrowings (Non-current)	(1,344.41)	(451.53)
Net proceeds / (repayment) from borrowings (Current)	(42.57)	(259.80)
Corporate dividend tax paid	-	(16.54)
Dividends on equity share capital paid	(140.78)	(80.32)
Repayment towards lease liability	(20.19)	(18.87)
Finance costs paid	(127.43)	(188.41)
Net cash generated from / (used in) financing activities	356.67	(858.88)

CASH FLOW STATEMENT (CONTD.)

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net increase / (decrease) in cash and cash equivalents	(11.54)	(64.54)
Cash and cash equivalents at the beginning of the year	98.26	162.80
Cash and cash equivalents at the end of the year (Refer to note 11)	86.72	98.26

Notes:

- The cash flow statement has been prepared under indirect method as set out in Indian Accounting Standard-7 (Ind AS) on 'Statement of Cash Flows'.
- During the year, the Company paid in cash ₹ 10.18 Crores (Previous year: ₹ 12.00 Crores) towards corporate social responsibility (CSR) expenditure.
- For cash flow information of discontinued operations, refer note 40(b).
- The following table discloses changes in liabilities arising from financing activities, including both cash and non-cash changes:

Particulars	As at March 31, 2020	Cash flow from financing activities	Non-cash changes					As at March 31, 2021
			Upfront fees amortised	Exchange fluctuation changes [#]	Finance cost [#]	Interim dividend declared [^]	Lease liability recognised	
Equity share capital	58.50	1.76	-	-	-	-	-	60.26
Securities premium (net of issue expenses)	-	736.25	-	-	-	-	-	736.25
Non-current borrowings*	1,859.62	(50.37)	2.30	1.27	-	-	-	1,812.82
Current borrowings	804.80	(42.57)	-	0.03	-	-	-	762.26
Interest accrued	22.64	(127.43)	-	-	109.26	-	-	4.47
Lease liability	87.69	(20.19)	-	-	6.49	-	3.63	77.62
Dividend and taxes thereon	6.04	(140.78)	-	-	-	141.31	-	6.57
Total	2,839.29	356.67	2.30	1.30	115.75	141.31	3.63	3,460.25

Particulars	As at March 31, 2019	Cash flow from financing activities	Non-cash changes				As at March 31, 2020	
			Upfront fees amortised	Exchange fluctuation changes [#]	Finance cost [#]	Interim dividend declared [^]		Lease liability recognised
Equity share capital	58.50	-	-	-	-	-	-	58.50
Non-current borrowings*	2,060.29	(294.94)	2.95	91.32	-	-	-	1,859.62
Current borrowings	1,042.83	(259.80)	-	21.77	-	-	-	804.80
Interest accrued	29.40	(188.41)	-	-	181.65	-	-	22.64
Lease liability	-	(18.87)	-	-	6.70	-	99.86	87.69
Dividend and taxes thereon	5.89	(96.86)	-	-	-	97.01	-	6.04
	3,196.91	(858.88)	2.95	113.09	188.35	97.01	99.86	2,839.29

*including current maturity of long term debts

[^]including taxes on dividend

[#]including amount capitalised

See accompanying notes to the standalone financial statements 2 to 41

As per our report attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore

Partner
Membership No.: 090075
Place : Delhi
Date : May 21, 2021

For and on behalf of the Board of Directors

Ashish Bharat Ram

Managing Director
DIN - 00671567
Place : Delhi
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Place : Gurugram
Date : May 05, 2021

Rajat Lakhnarpal

Vice President
(Corporate Compliance)
and Company Secretary
Place : Delhi
Date : May 05, 2021

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at March 31, 2019	58.50
Changes in equity share capital during the year	-
Balance at March 31, 2020	58.50
Changes in equity share capital during the year	1.76
Balance at March 31, 2021	60.26

(b) Other Equity

	Reserves and Surplus*						Items of other comprehensive income*			
	Capital reserve	General reserve	Capital redemption reserve	Securities premium	Debenture redemption reserve	Employee share based payment reserve	Retained earnings	Effective portion of cash flow hedge	Equity instrument through other comprehensive income	Cost of hedging reserve
Balance at March 31, 2019	219.19	573.54	10.48	-	75.00	0.58	2956.92	28.65	(4.22)	-
Profit for the year	-	-	-	-	-	-	974.18	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(5.33)	(107.21)	-	-
Total comprehensive income for the year	-	-	-	-	-	-	968.85	(107.21)	-	-
Payment of dividend (₹ 14 per share)	-	-	-	-	-	-	(80.47)	-	-	-
Tax on Dividend	-	-	-	-	-	-	(16.54)	-	-	-
Employee share based payment expense	-	-	-	-	-	0.98	-	-	-	-
Balance at March 31, 2020	219.19	573.54	10.48	-	75.00	1.56	3828.76	(78.56)	(4.22)	-
Profit for the year	-	-	-	-	-	-	925.06	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	1.57	86.09	-	0.62
Total comprehensive income for the year	-	-	-	-	-	-	926.63	86.09	-	0.62
Payment of dividend (₹ 24 per share)	-	-	-	-	-	-	(141.31)	-	-	-
Tax on Dividend	-	-	-	-	-	-	-	-	-	-
Employee share based payment expense	-	-	-	-	-	0.98	-	-	-	-
Transfer to debenture redemption reserve	-	-	-	-	-	-	(62.50)	-	-	-
Transfer to general reserve	-	-	-	-	(75.00)	-	-	-	-	-
Transfer from debenture redemption reserve	-	75.00	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	62.50	-	-	-	-	-
Premium on issue of equity shares (net of issue expenses)*	-	-	-	736.25	-	-	-	-	-	-
Balance at March 31, 2021	219.19	648.54	10.48	736.25	62.50	2.54	4551.58	7.53	(4.22)	0.62

*Refer note 14

*Refer note 13.1

See accompanying notes to the standalone financial statements 2 to 41

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Kaushal Kishore

Partner
Membership No.: 090075
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Vice President
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Company Secretary
Place : Delhi
Date : May 05, 2021

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

1. Corporate Information, Significant Accounting Policies and Significant Accounting Judgements, Estimates and Assumptions

A Corporate Information

SRF Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's equity shares are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 and 237, Second Floor, Mayur Vihar Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110091. The Company's parent company is KAMA Holdings Limited.

The principal activities of the Company are manufacturing, purchase and sale of technical textiles, chemicals, packaging films and other polymers.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 5, 2021.

B Significant Accounting Policies

1. Basis of Preparation

These standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provisions of the Act.

The standalone financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

- Defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation

- Share-based payments

The standalone financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all values are rounded to the nearest crores, except when otherwise indicated.

The principal accounting policies are set out below.

2. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

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 identified twelve months as its operating cycle for the purpose of current / non current classification of assets and liabilities.

3. Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

All items of property, plant and equipment have been measured at fair value at the date of transition to Ind AS. The Company have opted such fair valuation as deemed cost at the transition date i.e. April 1, 2015.

Cost of acquisition or construction is inclusive of freight, duties, non-recoverable taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets, upto the date of commissioning of the assets.

Likewise, when a major inspection for faults is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items of property, plant and equipment and depreciated accordingly.

Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Capital Work in Progress: Project under which assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the Company intends to use these for a period of more than 12 months.

4. Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation has been provided on the cost of assets less their residual values on straight line method on the basis of estimated useful life of assets determined by the Company which are different from the useful life as prescribed in Schedule II of the 2013 Act. The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. and are as under:

Roads	40-50 years
Buildings (including temporary structures)	5-60 years
Plant and equipment	2-40 years
Furniture and fixtures	3-20 years
Office equipment	3-20 years
Vehicles	4-5 years

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Freehold land is not depreciated.

Depreciation is calculated on a pro rata basis except assets costing upto ₹ 5,000 each, which are fully depreciated in the year of purchase.

An item of property, plant and equipment or any significant part initially recognised of such item 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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

5. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives considered are as follows:

Trademarks / Brand	10-30 years
Technical Knowhow	30-40 years
Software	3 years
Other intangibles	2.5-8 years

The Company has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

6. Research and development expenditure

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

for the production of new or substantially improved products and processes.

Such development costs are capitalised if they can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

7. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to

the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

8. Impairment of tangible and intangible assets other than goodwill

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an 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 groups of assets.

Impairment loss is recognised when the carrying amount of an asset or CGU exceeds its recoverable amount. In such cases, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified,

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 5 years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after 5th year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

9. Leasing

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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 assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

At inception or on reassessment of a contract that contains a lease component, the Company allocates

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the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as lessee

The Company accounts for assets taken under lease arrangement in the following manner:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the basis of remaining lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

10. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs incurred for the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are

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added to the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

In case of a specific borrowing taken for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised shall be the actual borrowing costs incurred during the period less any interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset.

In case funds are borrowed generally and such funds are used for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised are calculated by applying the weighted average capitalisation rate on general borrowings outstanding during the period, to the expenditures incurred on the qualifying asset.

If any specific borrowing remains outstanding after the related asset is ready for its intended use, that borrowing is considered part of the funds that are borrowed generally for calculating the capitalisation rate.

11. Foreign Currencies

Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

(i) Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Any gains or losses arising

due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to exchange differences arising from cash flow hedges to the extent that the hedges are effective and those covered below.

(ii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016:

Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance useful life of the assets.

(iii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016:

The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is treated in accordance with Ind AS 21/ Ind AS 109. Refer point (i) above.

12. Inventories

Inventories are valued at cost or net realisable value, whichever is lower. The basis of determining the cost for various categories of inventory are as follows:

(a) Raw materials, packing materials and stores and spares (including fuel) - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on

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weighted average basis. 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.

- (b) Traded goods, Stock in progress and finished goods- Direct cost plus appropriate share of overheads.

- (c) By products - At estimated realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

13. Provisions, contingent liabilities and contingent assets

Provisions

The Company recognises a provision when there is a present obligation (legal or constructive) as a result of past events and it is more likely than not that an outflow of resources would be required to settle the obligation and a reliable estimate can be made.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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 recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

Contingent assets

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

14. Revenue recognition

a) Sale of goods

Revenue from sale of products is recognised upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers. Service income is recognised as and when the underlying services are performed. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

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Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as goods and services tax and applicable discounts and allowances.

Any fees including upfront fees received in relation to contract manufacturing arrangements is recognised on straight line basis over the period over which the Company satisfies the underlying performance obligations. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash as per contractual terms. Advance from customers ("contract liability") is recognised when the Company has received consideration from the customer before it delivers the goods.

b) Interest and dividend income

Interest income is recognised when it is probable that the economic benefits will flow to the Company using the effective interest rate and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

c) Export Incentives

The benefit accrued under the Duty Drawback scheme and other schemes as per the Export and Import Policy in

respect of exports made under the said Schemes is included under the head "Revenue from Operations" under 'Export and other Incentives'. Also refer policy on "government grants".

15. Taxation

Income tax expense represents the sum of current tax and deferred tax.

a) Current tax

Current 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, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e. in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

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Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. 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 relating to items recognised outside profit or loss is recognised outside profit or loss i.e. in other comprehensive income or in equity.

Deferred tax assets/liabilities are not recognised for below mentioned temporary differences:

- (i) At the time of initial recognition of goodwill;
- (ii) Initial recognition of assets or liabilities (other than in a business combination) at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT asset is recognised in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

The Company considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the Company concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Company determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. However, if the Company concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the Company reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

16. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

A government grant that becomes receivable as compensation for expenses or losses incurred in a previous period. Such a grant is recognised in profit or loss of the period in which it becomes receivable.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to assets are presented in the balance sheet as deferred income and is recognised in profit or loss on a systematic basis over the expected useful life of the related assets.

17. Employee benefits

Short-term employee benefits

Wages and salaries including non monetary benefits that are expected to be settled

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within the operating cycle after the end of the period in which the related services are rendered, are measured at the undiscounted amount expected to be paid.

Defined contribution plans

Provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund and Employees' State Insurance Corporation are defined contribution schemes. Contributions to such schemes are charged to the statement of profit and loss in the year when employees have rendered services entitling them to contributions. The Company has no obligation, other than the contribution payable to such schemes.

Defined benefit plans

The Company has defined benefit gratuity plan and provident fund for certain category of employees administered through a recognised provident fund trust. Provision for gratuity and provident fund for certain category of employees administered through a recognised provident fund trust are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss, other than remeasurements. The cost of providing these benefits is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability and return on plan assets), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Other long-term employee benefits

The Company also has other long-term employee benefits in the nature of compensated absences and long term retention pay. Provision for compensated absences and long term retention pay are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss. The cost of providing these benefits is determined using the projected unit credit method.

Share based payments

Equity settled share based payments to employees under SRF Long Term Share Based Incentive Plan (SRF LTIP) are measured at the fair value (which is the market price less exercise price) of the equity instruments on the grant date. This compensation expense is amortised over the remaining tenure over which the employees renders their service on a straight line basis.

18. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

19. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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20. 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.

A) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the Company are classified in three categories:

- At amortised cost
- At fair value through profit and loss (FVTPL)
- At fair value through other comprehensive income (FVTOCI)

Financial Asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss.

The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets not classified as measured at amortised cost or FVTOCI as are measured at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value.

Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Investments representing equity interest in subsidiaries are carried at cost less any provision for impairment.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the balance sheet) when:

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- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. Any gain or loss on derecognition is recognised in profit or loss.

When the Company has retained substantially all the risks and rewards of ownership of the transferred asset,

the Company continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

B) Financial liabilities and Equity instruments

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

The Company's financial liabilities includes borrowings, trade and other payables including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

Borrowings

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption/repayment amount is recognised in profit and loss over the period of the borrowings using the effective interest rate method.

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Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid.

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, to realise the assets and settle the liabilities simultaneously.

Financial guarantee contracts

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 entity fails to make a payment when due in accordance with the terms of a 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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Equity instrument

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

21. Derivative and non derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments (such as forward currency contracts, interest rate swaps and full currency swaps) or non derivative financial assets / liabilities to hedge its foreign currency risks and interest rate risks. The Company has opted for "Hedge Accounting" for all its derivative as well as non-derivative financial instrument used for hedging. Accordingly, at the inception of the hedge the Company formally designates a hedge relationship between the 'hedging instrument' and 'hedged item' which determines the initial recognition of the financial instrument as Fair Value Hedge or Cashflow hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. These financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at

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fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit and loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the

firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in statement of profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the statement of profit and loss. In some cases, the Company separates the premium element and the spot element of a forward contract and designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. In such cases, the changes in the fair value of the premium element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as 'cost of hedging'. The changes in the fair value of such premium element or foreign currency basis spread are reclassified to profit or loss as a reclassification adjustment on a straight-line basis over the period of the forward contract or the financial instrument.

The Company also designates non derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for the hedge of foreign currency risk associated with highly probable forecasted transactions and, accordingly, applies cash flow hedge accounting for such relationships.

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Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, the hedge accounting will be discontinued prospectively. Any cumulative gain or loss previously recognised in other comprehensive income remains separately in other equity if the forecast transaction or the foreign currency firm commitment is expected to occur else the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

22. Fair value measurement

The Company measures some of its financial instruments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing

the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of

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assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

23. Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

24. Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

25. Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The appropriate level of management must be committed

to a plan to sell, an active programme to locate a buyer and complete the plan has been initiated, the sale is considered highly probable and is expected within one year from the date of classification.

Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other assets and liabilities in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit and loss.

26. Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Balance Sheet:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law

C Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgments,

estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

- Classification and lease term determination of leasing arrangement – Note 1.B.9
- Derecognition of trade receivables and hedge effectiveness - Note 1.B.20
- Fair value measurement of derivative instruments – Note 1.B.22
- Assessment of useful life of property, plant and equipment and intangible asset – Note 1.B.4
- Recognition and estimation of tax expense including determination of applicable tax rate for measuring deferred tax balances – Note 1.B.15
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 1.B.17
- Assessment of impairment of financial assets and non-financial assets – Note 1.B.20 and Note 1.B.8
- Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 1.B.13

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

2. Property, Plant and Equipment

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Cost								
Balance at March 31, 2019	317.55	53.45	669.97	4589.16	24.04	51.09	39.34	5744.60
Additions / adjustments	-	11.02	33.02	879.10	2.41	8.02	9.04	942.61
Disposals	(0.37)	(0.99)	(16.03)	(38.03)	(0.65)	(0.97)	(7.29)	(64.33)
Balance at March 31, 2020	317.18	63.48	686.96	5430.23	25.80	58.14	41.09	6622.88
Additions / adjustments	-	8.29	38.66	564.41	2.01	8.08	6.59	628.04
Disposals	-	-	(0.14)	(6.18)	(0.20)	(1.06)	(3.99)	(11.57)
Balance at March 31, 2021	317.18	71.77	725.48	5988.46	27.61	65.16	43.69	7239.35
Accumulated depreciation								
Balance at March 31, 2019	-	4.43	67.99	886.82	7.43	24.62	17.61	1008.90
Depreciation expenses								
- Continuing operations	-	1.94	19.36	291.03	2.02	7.04	7.60	328.99
- Discontinued operations	-	-	0.12	0.21	0.01	0.02	0.02	0.38
Disposals	-	(0.06)	(2.44)	(11.25)	(0.16)	(0.64)	(4.48)	(19.03)
Balance at March 31, 2020	-	6.31	85.03	1166.81	9.30	31.04	20.75	1319.24
Depreciation expenses	-	1.54	20.22	320.71	2.07	6.53	7.25	358.32
Disposals	-	-	(0.03)	(2.70)	(0.14)	(0.90)	(2.76)	(6.53)
Balance at March 31, 2021	-	7.85	105.22	1484.82	11.23	36.67	25.24	1671.03
Carrying Amount								
Balance at March 31, 2019	317.55	49.02	601.98	3702.34	16.61	26.47	21.73	4735.70
Additions / adjustments	-	11.02	33.02	879.10	2.41	8.02	9.04	942.61
Disposals	(0.37)	(0.93)	(13.59)	(26.78)	(0.49)	(0.33)	(2.81)	(45.30)
Depreciation expenses								
- Continuing operations	-	(1.94)	(19.36)	(291.03)	(2.02)	(7.04)	(7.60)	(328.99)
- Discontinued operations	-	-	(0.12)	(0.21)	(0.01)	(0.02)	(0.02)	(0.38)
Balance at March 31, 2020	317.18	57.17	601.93	4263.42	16.50	27.10	20.34	5303.64
Additions / adjustments	-	8.29	38.66	564.41	2.01	8.08	6.59	628.04
Disposals	-	-	(0.11)	(3.48)	(0.06)	(0.16)	(1.22)	(5.03)
Depreciation expenses	-	(1.54)	(20.22)	(320.71)	(2.07)	(6.53)	(7.25)	(358.32)
Balance at March 31, 2021	317.18	63.92	620.26	4503.64	16.38	28.49	18.46	5568.33

Notes:

- Borrowing cost capitalised during the year ₹ 7.62 Crores (Previous year: ₹ 13.80 Crores) with a capitalisation rate ranging from 3.22% to 8.09% (Previous year: 4.25% to 9.45%).
- Out of the Industrial Freehold land measuring 32.41 acres at the Company's plant in Gummidipoondi, the Company does not have clear title to 2.43 acres.
- Capital expenditure incurred during the year includes ₹ 13.46 Crores (Previous year: ₹ 33.09 Crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 41 (a) below.
- Refer to note 15.1 for information on PPE pledged as security by the Company. Additionally, non funded working capital facilities from banks amounting to ₹ 58.50 Crores (Previous year: Nil) are secured by hypothecation of CPP and HFC134A plant situated at Dahej in the state of Gujarat.
- Refer to note 41 (c) for additions / adjustments on account of exchange difference during the year.
- The Company accounts for all capitalisation of property, plant and equipment through capital work in progress and, therefore, the movement in capital work-in-progress is the difference between closing and opening balance of capital work-in-progress as adjusted in additions to property, plant and equipment and intangible assets.
- Disposals during the previous year include property, plant and equipment of discontinued operations. Refer note 40 below.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

3. Goodwill

Cost		
Balance at March 31, 2019		1.41
Additions		-
Disposals		(0.79)
Balance at March 31, 2020		0.62
Additions		-
Disposals		-
Balance at March 31, 2021		0.62
	As at March 31, 2021	As at March 31, 2020
Engineering plastics units	-	-
Industrial yarn unit	0.62	0.62
	0.62	0.62

The Company has allocated goodwill to the above mentioned cash generating units and determined recoverable amount of this allocated goodwill using cash flow projections based on financial budget as approved by the directors of the Company.

Based on the above impairment testing no impairment losses have been recognised in the current year (Previous year: Nil). Also refer note 40 below.

4. Other Intangible Assets

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at March 31, 2019	77.20	45.67	26.71	19.30	168.88
Additions / adjustments	0.33	10.51	4.39	0.09	15.32
Disposals	-	(0.99)	(0.35)	-	(1.34)
Balance at March 31, 2020	77.53	55.19	30.75	19.39	182.86
Additions / adjustments	-	-	0.64	-	0.64
Disposals	-	-	-	-	-
Balance at March 31, 2021	77.53	55.19	31.39	19.39	183.50
Accumulated amortisation					
Balance at March 31, 2019	14.15	5.23	22.24	18.40	60.02
Amortisation expenses					
- Continuing operations	2.61	1.71	3.06	0.10	7.48
- Discontinued operations	-	-	0.02	-	0.02
Disposals	-	(0.99)	(0.13)	-	(1.12)
Balance at March 31, 2020	16.76	5.95	25.19	18.50	66.40

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Amortisation expenses	2.45	1.70	3.02	0.05	7.22
Disposals	-	-	-	-	-
Balance at March 31, 2021	19.21	7.65	28.21	18.55	73.62
Carrying Amount					
Balance at March 31, 2019	63.05	40.44	4.47	0.90	108.86
Additions / adjustments	0.33	10.51	4.39	0.09	15.32
Disposals	-	-	(0.22)	-	(0.22)
Amortisation expenses					
- Continuing operations	(2.61)	(1.71)	(3.06)	(0.10)	(7.48)
- Discontinued operations	-	-	(0.02)	-	(0.02)
Balance at March 31, 2020	60.77	49.24	5.56	0.89	116.46
Additions / adjustments	-	-	0.64	-	0.64
Disposals	-	-	-	-	-
Amortisation expenses	(2.45)	(1.70)	(3.02)	(0.05)	(7.22)
Balance at March 31, 2021	58.32	47.54	3.18	0.84	109.88

Notes:

- Refer note 41 (c) for additions / adjustments on account of exchange difference during the previous year.
- Disposals during the previous year pertain to intangible assets of discontinued operations. Refer note 40 below.

5. Investments

	As at March 31, 2021	As at March 31, 2020
Non-current		
Investment in equity instruments		
Subsidiary companies	83.60	83.60
Others	4.16	4.16
	87.76	87.76
Aggregate book value of unquoted investments	87.76	87.76
Aggregate amount of impairment in value of investments	4.34	4.34
Current		
Investment in mutual funds	197.16	198.50
Investment in debentures / bonds	215.36	-
	412.52	198.50
Aggregate book value and market value of unquoted investments	197.16	198.50
Aggregate book value and market value of quoted investments	215.36	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

5.1 Investment in subsidiaries (at cost)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of SRF Holiday Home Limited (A wholly owned subsidiary)	40,00,000	4.00	40,00,000	4.00
Equity shares of Euro 100 each fully paid up of SRF Global BV (A wholly owned subsidiary)	1,28,920	79.60	1,28,920	79.60
Contribution in SRF Employees Welfare Trust (Controlled trust)	-	*	-	*
		83.60		83.60

* Amount in absolute ₹ 60,000 (Previous year: ₹ 35,000)

5.2 Other equity instruments (at fair value through other comprehensive income)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	42,21,535	4.22	42,21,535	4.22
Less: Impairment in value of investment		(4.22)		(4.22)
Equity shares of ₹ 10 each fully paid up of Vaayu Renewable Energy (Tapti) Private Limited	50,000	0.05	50,000	0.05
Equity shares of ₹ 10 each fully paid up of Suryadev Alloys & Power Private Limited	13,54,000	4.11	13,54,000	4.11
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	6,70,000	0.12	6,70,000	0.12
Less: Impairment in value of investment		(0.12)		(0.12)
		4.16		4.16

5.3 Investment in mutual funds (at fair value through profit and loss)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Unquoted investments (Current)				
ICICI Prudential P1543 Saving Fund-Growth Plan	36,12,365	117.16	36,12,365	108.44
ICICI Prudential P3223 Overnight Fund-Growth Plan	-	-	27,93,962	30.06
UTI Overnight Fund-Growth Plan	-	-	2,21,205	60.00
Axis Overnight Fund- Regular Growth Plan	2,76,009	30.00	-	-
SBI Liquid Fund L72SG Regular Growth Plan	1,56,109	50.00	-	-
		197.16		198.50

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

5.4 Investment in debentures / bonds (at fair value through profit and loss)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Quoted investments (Current)				
Bonds				
9.56% State Bank of India Perpetual Bonds 2023 of ₹ 10,00,000 each	500	52.25	-	-
8.99% Bank of Baroda Perpetual Bonds 2024 of ₹ 10,00,000 each	500	51.02	-	-
8.85% HDFC Bank Limited Perpetual Bonds 2022 of ₹ 10,00,000 each	500	51.00	-	-
Debentures				
Non convertible debentures of Shriram Transport Finance Company Limited 2021 of ₹ 10,00,000 each	250	32.10	-	-
7.35% non convertible debentures of NIIF Infrastructure Finance Limited of ₹ 10,00,000 each	250	25.43	-	-
Non convertible debentures of Tata Capital Financial Services Limited of ₹ 10,00,000 each	30	3.56	-	-
		215.36		-

6. Loans

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Loan to subsidiary (Refer note 41 (e))	336.14	-
Loans to employees	10.57	9.96
Security deposits		
Related parties (Refer note 32)	3.56	3.56
Other than related parties	32.34	30.37
	382.61	43.89
Current		
Loan to subsidiary (Refer note 41 (e))	274.31	-
Loans to employees	7.16	6.36
Security deposits		
Other than related parties	2.20	2.05
Others		
Credit impaired	2.74	2.74
Less : Provision for credit impaired loans	(2.74)	(2.74)
	283.67	8.41

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

7. Other Financial Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	28.84	-
Other financial assets carried at amortised cost		
- Government grants and claims recoverable	15.86	15.86
	44.70	15.86
Current		
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	4.39	-
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	45.91	-
- Interest rate swaps used for hedging	1.01	-
Other financial assets carried at amortised cost		
- Insurance claim recoverable	0.33	5.79
- Government grants and claims recoverable	154.11	163.84
- Others	9.70	0.53
	215.45	170.16

8. Other Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Capital advances	158.56	15.16
Prepaid expenses	0.25	0.26
CENVAT/ Service tax/ Goods and Services Tax/ Sales tax recoverable	14.43	12.32
Claims recoverable under Post EPCG scheme and others	0.12	0.22
	173.36	27.96
Current		
Prepaid expenses	9.13	9.92
CENVAT/ Service tax/ Goods and Services tax/ Sales tax recoverable	67.71	119.56
Export incentives recoverable	32.76	63.67
Deposits with customs and excise authorities	17.41	8.13
Advance to suppliers	87.82	49.50
Others	1.81	0.73
	216.64	251.51

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

9. Inventories

(Valued at lower of cost and net realisable value)

	As at March 31, 2021	As at March 31, 2020
Raw material (including packing material)	597.10	465.59
Stock in progress	148.97	152.85
Finished goods	284.77	251.88
Stores and spares (including fuel)	254.93	238.27
Traded goods	0.93	1.73
	1,286.70	1,110.32
Goods-in-transit included above :		
Raw material (including packing material)	220.11	174.54
Finished goods	78.82	29.48
Stores and spares (including fuel)	1.06	2.59
Traded goods	0.33	0.08
	300.32	206.69

Notes

- The cost of inventories recognised as an expense includes ₹ 10.35 Crores (Previous year: ₹ 8.58 Crores) in respect of write-downs of inventory to net realisable value.
- Refer Note 15.1 for information on inventories pledged as security by the Company.
- The method of valuation of inventories has been stated in note 1.B.12

10. Trade Receivables

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	1,012.00	768.71
Unsecured, credit impaired	3.96	2.46
Less: Provision for credit impaired receivables	(3.96)	(2.46)
	1,012.00	768.71

Notes

- The credit period generally allowed on sales varies, on a case to case basis, and from business to business and is based on market conditions. Maximum credit period allowed is upto 120 days.

- Age of receivables :

	As at March 31, 2021	As at March 31, 2020
Within the credit period	887.68	573.84
1 to 180 days past due	123.05	182.75
More than 180 days past due	5.23	14.58
	1,015.96	771.17

- The Company has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the Company in the receivables as identified. Receivables sold as on March 31, 2021 are of ₹ 343.46 Crores (Previous year: ₹ 467.60 Crores). The Company has derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

- (iv) The Company sold, with recourse, trade receivables amounting to ₹ 47.15 Crores (Previous Year: Nil) to a bank for cash proceeds. These trade receivables have not been derecognised because the Company retains substantially all of the risks and rewards, primarily credit risk. The amounts received on such transfer have been recognised as a secured bank loan (refer note 15).
- (v) No customer represents more than 10% (Previous year: Nil) of the total balances of trade receivables.
- (vi) Refer Note 15.1 for information on trade receivables pledged as security by the Company.

11. Cash and Cash Equivalents

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Current accounts	73.15	87.97
Exchange earners foreign currency (EEFC) accounts	12.82	9.54
Cash on hand	0.75	0.75
	86.72	98.26

The disclosures regarding details of specified bank notes held and transacted during the period November 8, 2016 to December 31, 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2021.

12. Bank Balances Other than Above

	As at March 31, 2021	As at March 31, 2020
Earmarked balances		
- Margin money	1.95	2.89
- Unclaimed dividend accounts	6.57	6.04
Other deposit accounts		
- Deposit accounts with maturity beyond three months upto twelve months	135.19	0.10
	143.71	9.03

13. Share Capital

	As at March 31, 2021	As at March 31, 2020
Authorised share capital:		
120,000,000 (Previous Year - 120,000,000) Equity shares of ₹ 10 each	120.00	120.00
1,000,000 (Previous Year - 1,000,000) Preference shares of ₹ 100 each	10.00	10.00
1,200,000 (Previous Year - 1,200,000) Cumulative Preference shares of ₹ 50 each	6.00	6.00
20,000,000 (Previous Year - 20,000,000) Cumulative Preference shares of ₹ 100 each	200.00	200.00
	336.00	336.00
Issued share capital:		
63,301,960 (Previous Year - 61,537,255) Equity Shares of ₹ 10 each	63.30	61.54
Subscribed capital:		
59,245,205 (Previous Year - 57,480,500) Equity Shares of ₹ 10 each fully paid up	59.24	57.48
Add: Forfeited shares - Amount originally paid up	1.02	1.02
	60.26	58.50

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

13.1 Fully paid equity shares

	Number of shares	Amount
Balance at March 31, 2019	5,74,80,500	57.48
Add : Movement during the year	-	-
Balance at March 31, 2020	5,74,80,500	57.48
Add : Movement during the year	17,64,705	1.76
Balance at March 31, 2021	5,92,45,205	59.24

There are no bonus issue or buy back of equity shares during the period of five years immediately preceding the reporting date.

During the year ended March 31, 2021 the Company has issued 17,64,705 fully paid up equity shares equivalent to 3.07% of the existing paid up equity capital of the Company to Qualified Institutional Buyers in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. These shares were issued at an issue price of ₹ 4,250 per share (including securities premium of ₹ 4,240 per share) for an aggregate consideration of ₹ 750 Crores. The proceeds (net of share issue expenses of ₹ 11.99 Crores charged off against securities premium) have been utilised for repayment of borrowings.

Terms/ rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

During the year ended March 31, 2021, the amount of interim dividend recognised as distributions to equity shareholders was ₹ 24 per share (Previous year: ₹ 14 per share).

In the event of liquidation of the Company, the holders of 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.

13.2 Details of shares held by the holding company

	Number of fully paid ordinary shares
As at March 31, 2021	
KAMA Holdings Limited, the Holding Company	3,00,49,000
As at March 31, 2020	
KAMA Holdings Limited, the Holding Company	3,00,49,000

13.3 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid equity shares				
KAMA Holdings Limited	3,00,49,000	50.72%	3,00,49,000	52.28%
Amansa Holding Private Limited	33,73,411	5.69%	41,78,636	7.27%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

14. Other Equity

	As at March 31, 2021	As at March 31, 2020
General reserve	648.54	573.54
Retained earnings	4,551.58	3,828.76
Cash flow hedging reserve	7.53	(78.56)
Capital redemption reserve	10.48	10.48
Capital reserve	219.19	219.19
Debenture redemption reserve	62.50	75.00
Employee share based payment reserve	2.54	1.56
Reserve for equity instruments through other comprehensive income	(4.22)	(4.22)
Securities premium	736.25	-
Cost of hedging reserve	0.62	-
	6,235.01	4,625.75

14.1 General reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	573.54	573.54
Increase / (decrease) during the year	75.00	-
Balance at end of year	648.54	573.54

The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. Items included in general reserve will not be reclassified subsequently to profit and loss.

14.2 Retained earnings

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	3,828.76	2,956.92
Profit for the year	925.06	974.18
Other comprehensive income arising from remeasurement of defined benefit obligation * (Refer note 33.2 (iv))	1.57	(5.33)
Payment of dividend on equity shares	(141.31)	(80.47)
Corporate tax on dividend	-	(16.54)
Transfer to debenture redemption reserve	(62.50)	-
Balance at end of year	4,551.58	3,828.76

The amount that can be distributed as dividend by the Company to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013.

*net of income tax of ₹ (0.84) Crore (Previous year: ₹ 2.86 Crores)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

14.3 Cash flow hedging reserve

(Refer note 38.3.1 (C))

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	(78.56)	28.65
Recognised / (released) during the year	132.33	(164.79)
Income tax related to above	(46.24)	57.58
Balance at end of year	7.53	(78.56)

The Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

14.4 Capital redemption reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	10.48	10.48
Increase / (decrease) during the year	-	-
Balance at end of year	10.48	10.48

Capital Redemption Reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. The reserve is utilised in accordance with the provisions of the Act.

14.5 Capital reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	219.19	219.19
Increase / (decrease) during the year	-	-
Balance at end of year	219.19	219.19

Capital reserve represents amounts received pursuant to Montreal Protocol Phaseout Programme of refrigerant gases.

14.6 Debenture redemption reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	75.00	75.00
Transfer from retained earnings	62.50	-
Transfer to general reserve	(75.00)	-
Balance at end of year	62.50	75.00

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The Company has issued non-convertible debentures. The Company has created debenture redemption reserve out of the profits available for payment of dividend.

14.7 Employee share based payment reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	1.56	0.58
Increase / (decrease) during the year	0.98	0.98
Balance at end of year	2.54	1.56

The Company has allotted equity shares to certain employees under an employee share purchase scheme. The employee share based payment reserve is used to recognise the value of equity settled share based payments provided to such employees as part of their remuneration. Refer note 34 for further details of the scheme.

14.8 Reserve for equity instruments through other comprehensive income

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	(4.22)	(4.22)
Net fair value gain on investment in equity instruments at FVTOCI	-	-
Balance at end of year	(4.22)	(4.22)

This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.

14.9 Securities premium

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	-	-
Increase / (decrease) during the year	736.25	-
Balance at end of year	736.25	-

Securities premium represents the amount received in excess of the face value upon issue of equity shares. The same may be inter-alia utilised, for issue of fully paid bonus shares or for buy-back of equity shares by the Company, in accordance with the provisions of the Act. Expenses amounting to ₹ 11.99 Crores incurred on issue of equity shares under Qualified Institutional Placement have been charged off against securities premium (Refer note 13.1).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

14.10 Cost of hedging reserve

(Refer note 38.3.1 (C))

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	-	-
Recognised / (released) during the year	0.95	-
Income tax related to above	(0.33)	-
Balance at end of year	0.62	-

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in other comprehensive income and accounted for similarly to gains or losses in the cash flow hedging reserve.

15. Borrowings

	As at March 31, 2021	As at March 31, 2020
Non-current		
Secured		
2,500 Nos., Three Months T Bill plus 188 bps (2020: 3,000 Nos., 7.33%), listed, secured redeemable non-convertible debentures of ₹ 10 lakhs each* (Refer note 15.1.1 and 15.1.2)	250.00	299.97
Term Loans from banks* (Refer note 15.1.3)	1,387.81	1,338.87
Term Loans from others* (Refer note 15.1.4)	175.01	220.78
Less: Current maturities of long-term borrowings* (Refer note 19)	(390.58)	(742.19)
	1,422.24	1,117.43

* Above amount of borrowings are net of upfront fees paid ₹ 2.84 Crores (Previous year: ₹ 5.06 Crores)

Current		
Secured		
Loans repayable on demand from banks (Refer note 15.1.5.(i))	233.38	244.45
Bills discounted with banks (Refer note 15.1.5.(ii))	47.15	-
	280.53	244.45
Unsecured		
Loans repayable on demand from banks	381.73	360.35
Commercial papers from banks and others #	100.00	200.00
	481.73	560.35
	762.26	804.80

Maximum amount due during the year is ₹ 600.00 Crores (Previous year: ₹ 400.00 Crores)

There have been no defaults in repayment of principal and interest on borrowings during the reporting periods.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

15.1 Details of security of the secured loans:

Details of Loan	As at March 31, 2021 [#]	As at March 31, 2020 [#]	Security
<p>1 Nil (Previous Year 3,000), 7.33%, Listed, Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each*</p> <p>Terms and conditions</p> <p>a) Redeemable at face value in one single installment at the end of 3rd year from the date of allotment.</p> <p>b) Coupon is payable annually on 30th June every year.</p>	-	300.00	<p>Debentures were secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur in the State of Uttarakhand (other than moveable assets of Laminated Fabrics Business) and Dahej in the State of Gujarat (excluding certain assets) and an equitable mortgage of Company's immovable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.</p>
<p>2 2,500 (Previous Year : Nil), 3 Months T-Bill + 188 bps, Listed, Secured, Redeemable, Non-Convertible Debentures of the face value of 10 lakhs each*</p> <p>Terms and conditions</p> <p>a) Redeemable at face value in one single installment at the end of 2nd year from the date of allotment.</p> <p>b) Coupon is payable on a quarterly basis every year.</p>	250.00	-	<p>Debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur in the State of Uttarakhand (other than moveable assets of Laminated Fabrics Business) and Dahej in the State of Gujarat (excluding certain assets).</p>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Details of Loan	As at March 31, 2021 [#]	As at March 31, 2020 [#]	Security
<p>3 (i) Term loan from Banks *</p>	1,390.07	1,343.02	<p>Moveable property</p> <p>(a)(i) Out of the loans as at 3(i), loans aggregating to ₹ 1099.30 Crores (Previous Year – ₹ 1154.12 Crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets).</p> <p>(a)(ii) Out of the loans as at 3(i), loans aggregating to ₹ 290.77 Crores (Previous Year – ₹ 188.90 Crores) are in the process of being secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets).</p> <p>Immovable property</p> <p>(b)(i) Out of the loans as at 3(i) loans aggregating to ₹ 849.30 Crores (Previous Year – ₹ 1343.02 Crores) are secured by equitable Mortgage of Company's immovable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand.</p> <p>(b)(ii) Out of the loans as at 3(b)(i) loans aggregating to ₹ 400.99 Crores (Previous Year – ₹ 544.56 Crores) are additionally secured by equitable Mortgage of Company's immovable properties, both present and future, situated at Jhiwana in the State of Rajasthan.</p>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Details of Loan	As at March 31, 2021 [#]	As at March 31, 2020 [#]	Security
			(b)(iii) Out of the loans as at 3(b)(i) loans aggregating to ₹ Nil (Previous Year – ₹ 75.56 Crores) are additionally secured by equitable Mortgage of Company's immovable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).
			(b) (iv) Out of the loans as at 3(i), the term loans aggregating to:
			(a) ₹ Nil (Previous Year - ₹ 565.48 crores) were to be secured by equitable mortgage of immovable properties at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand in the previous year.
			(b) ₹ 38.50 Crores (Previous Year – ₹ 43.50 Crores) are to be further secured by equitable mortgage of Company's immovable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
4 (i) Term loans from others	175.59	221.66	Loan of ₹ 175.59 Crores (Previous Year – ₹ 221.66 Crores) is secured by the hypothecation and equitable mortgage of Company's moveable and immovable properties at Dhar in the State of Madhya Pradesh.
5 (i) Loans repayable on demand from banks	233.38	244.45	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai (other than current assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh and Kashipur (other than current assets of Laminated Fabrics Business) in the State of Uttarakhand.
(ii) Bills discounted with banks	47.15	-	Secured against certain trade receivables of the Company. (Also refer note 10(iv))

*Such hypothecation in respect of Non convertible debentures mentioned in point no. 2 and hypothecation and equitable mortgage mentioned in point no 3 rank pari-passu inter se between term loans from banks / Non convertible debentures. (Previous year: Such hypothecation and equitable mortgage in point no 1 and 3 rank pari-passu between term loans from banks / Non convertible debentures).

The term loans figures from bank as on March 31, 2020 as mentioned in point 3(i)(a)(i) and 3(i)(b)(i) above includes amount of ₹ 200 Crores, which was repaid during the current financial year. However, charge created to secure the said loan against the assets mentioned in the said points is yet to be released.

During the current financial year, the company has taken term loan of ₹ 500 Crores which was secured by assets as mentioned in point 3(i)(a)(i). This loan was repaid during the current year only, however, charge created against these assets is yet to be released.

[#]Gross of upfront fees paid ₹ 2.84 Crores (Previous year : ₹ 5.06 Crores)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

15.2 Terms of loans

As at March 31, 2021

Non Current Borrowings

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2022	Up to March 31, 2023	Up to March 31, 2024	From 2024 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	Floating rate at 5.23%	-	250.00	-	-
Term loan from banks	Quarterly payments	Ranging from 0.71% to 6.25%	331.38	321.67	217.49	169.26
	Half yearly payments	Ranging from 1.23% to 7.85%	17.63	55.76	23.26	232.62
	Yearly payments	Floating rate at 7.25%	4.00	1.00	1.00	-
	Bullet	Fixed rate of 6.65%	-	15.00	-	-
Term loan from others	Half yearly payments	Floating rate at 2.01%	39.00	39.00	39.00	58.58
			392.01	682.43	280.75	460.46

Amounts mentioned above are gross of upfront fees paid of ₹ 2.84 Crores.

Current Borrowings

Short term borrowings are either payable in one installment within one year or repayable on demand. For short term borrowings, interest rate ranges from 0.32% to 4.73%.

As at March 31, 2020

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2021	Up to March 31, 2022	Up to March 31, 2023	From 2023 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	Fixed rate of 7.33%	300.00	-	-	-
Term loan from banks	Quarterly payments	Ranging from 0.94% to 7.40%	217.56	284.60	255.09	239.70
	Half yearly payments	Ranging from 2.71% to 9.05%	5.00	6.00	32.50	-
	Yearly payments	Ranging from 7.65% to 8.25%	106.00	104.00	1.00	1.00
	Bullet	Fixed rate of 6.65%	-	-	15.00	-
Term loan from others	Half yearly instalments	Floating rate at 3.28%	115.85	40.29	40.29	100.80
			744.41	434.89	343.88	341.50

NOTES TO THE FINANCIAL STATEMENTS

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Amounts mentioned above are gross of upfront fees paid of ₹ 5.06 Crores.

CURRENT BORROWINGS

Short term borrowings are either payable in one installment within one year or repayable on demand. For short term borrowings, interest rate ranges from 2.41% to 7.80%.

Terms of repayment

- 1) Redeemable non convertible debenture of ₹ 300 Crores were repaid in current year (Previous year: ₹ 300 Crores are repayable in one bullet instalment in June 2020).
- 2) Redeemable non convertible debenture of ₹ 250 Crores are repayable in one bullet instalment in September 2022 (Previous year: Nil).
- 3) Rupee term loans of ₹ 38.50 Crores are repayable in 3 half yearly instalments from August 2021 (Previous year: ₹ 43.50 Crores repayable in 5 half yearly instalments from August 2020).
- 4) Rupee term loans of ₹ 24.66 Crores are repayable in 6 quarterly instalments from June 2021 (Previous year: ₹ 41.10 Crores repayable in 10 quarterly instalments from June 2020).
- 5) Rupee term loans of ₹ 200.00 Crores were prepaid in current year in July 2020 (Previous year: ₹ 200.00 Crores repayable in 2 annual instalments from August 2020).
- 6) Rupee term loans of ₹ 6.00 Crores are repayable in 3 annual instalments from December 2021 (Previous year: ₹ 12.00 Crores repayable in 4 annual instalments from December 2020).
- 7) Rupee term loans of ₹ 250.00 Crores are repayable in 16 quarterly instalments from July 2021 (Previous year: Nil).
- 8) Foreign currency term loan of ₹ 114.30 Crores are repayable in 5 quarterly instalments from June 2021 (Previous year: ₹ 188.90 Crores repayable in 8 quarterly instalments from September 2020).
- 9) Foreign currency term loan of ₹ 361.33 Crores are repayable in 16 quarterly instalments from May 2021 (Previous year: ₹ 412.90 Crores repayable in 19 quarterly instalments from August 2020).
- 10) Foreign currency term loan of ₹ 143.69 Crores are repayable in 11 quarterly instalments from April 2021 (Previous year: ₹ 188.90 Crores repayable in 14 quarterly instalments from July 2020).
- 11) Foreign currency term loan of ₹ 75.56 Crores were repaid in current year (Previous year: ₹ 75.56 Crores repayable in 2 half yearly instalments from September 2020).
- 12) Foreign currency term loan of ₹ 175.59 Crores are repayable in 9 half yearly instalments from April 2021 (Previous year: ₹ 221.66 Crores repayable in 11 half yearly instalments from April 2020).
- 13) Foreign currency term loan of ₹ 15.00 Crores are repayable in one bullet instalment in June 2022 (Previous year: ₹ 15.00 Crores is repayable in one bullet instalment in June 2022).
- 14) Foreign currency term loan of ₹ 145.82 Crores are repayable in 9 quarterly instalments from April 2021 (Previous year: ₹ 165.16 Crores repayable in 12 quarterly instalments from July 2020).
- 15) Foreign currency term loan of ₹ 290.77 Crores are repayable in 5 half yearly instalments from March 2022 and then 12 monthly instalments from April 2024 onwards (Previous year: Nil)

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(All amounts in ₹ Crores, unless otherwise stated)

16. Provisions

	As at March 31, 2021	As at March 31, 2020
Non-Current		
Provision for employee benefits		
Provision for compensated absences (Refer note 33.3)	38.06	31.79
Provision for retention pay (Refer note 33.3)	0.17	1.49
	38.23	33.28
Current		
Provision for employee benefits		
Provision for compensated absences (Refer note 33.3)	7.00	5.50
Provision for retention pay (Refer note 33.3)	-	0.14
	7.00	5.64

17. DEFERRED TAX (NET)

The following is the analysis of deferred tax assets / (liabilities) presented in balance sheet

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	293.83	428.40
Deferred tax liabilities	(620.29)	(552.82)
Deferred tax liabilities, net	(326.46)	(124.42)

The major components of deferred tax assets / (liabilities) arising on account of temporary differences are as follows:

2020-21	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	MAT Credit Entitlement utilised	Closing balance
Deferred tax assets					
Expenses deductible in future years	13.77	1.31	-	-	15.08
Provision for credit impaired loans / receivables	0.61	0.38	-	-	0.99
MAT Credit Entitlement	367.07	5.38	-	(97.79)	274.66
Cash flow hedges	42.30	-	(42.30)	-	-
Others	4.65	(1.55)	-	-	3.10
	428.40	5.52	(42.30)	(97.79)	293.83
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(538.64)	(65.18)	-	-	(603.82)
Investment in mutual funds	(7.95)	(2.90)	-	-	(10.85)
Cash flow hedges	-	-	(4.27)	-	(4.27)
Others	(6.23)	4.88	-	-	(1.35)
	(552.82)	(63.20)	(4.27)	-	(620.29)
Total	(124.42)	(57.68)	(46.57)	(97.79)	(326.46)

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2019-20	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets				
Expenses deductible in future years	14.74	(0.97)	-	13.77
Provision for credit impaired loans / receivables	0.58	0.03	-	0.61
MAT Credit Entitlement	330.34	36.73	-	367.07
Cash flow hedges	-	-	42.30	42.30
Others	2.76	(0.97)	2.86	4.65
	348.42	34.82	45.16	428.40
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(625.93)	87.29	-	(538.64)
Investment in mutual funds	(8.24)	0.29	-	(7.95)
Cash flow hedges	(15.28)	-	15.28	-
Others	(1.20)	(5.03)	-	(6.23)
	(650.65)	82.55	15.28	(552.82)
Total	(302.23)	117.37	60.44	(124.42)

- (i) Section 115BAA of the Income Tax Act, 1961 was introduced by the Taxation Laws (Amendment) Ordinance, 2019. During the previous year, based on the estimate of expected timing of exercising of the option under Section 115BAA, the Company had re-measured its deferred tax balances. Consequently, credit of ₹ 136.11 Crores (net of MAT adjustment of ₹ 74.02 Crores) was recorded in the Statement of Profit and Loss during the year ended March 31, 2020.
- (ii) MAT credit entitlement of ₹ 74.02 Crores (out of total ₹ 87.85 Crores generated during the previous year) expiring in the financial year ending March 31, 2035 was not recognised in the statement of profit and loss of the previous year, due to expected timing of exercising of the option under section 115BAA of Income Tax Act, 1961.
- (iii) As on March 31, 2019 there were capital losses of ₹ 186.32 Crores expiring in the financial year ending March 31, 2023 on which no deferred tax asset was created, due to lack of probability of future capital gains against which such deferred tax assets can be realised. Pursuant to recognition of long term capital gain in the previous year, such capital losses were set-off in the previous year (Refer note 40).

18. Trade Payables

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises#	33.37	30.36
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances*	107.61	92.59
- Other than acceptances	1,055.51	834.49
	1,196.49	957.44

*Refer to note 18.1

*Acceptances represent invoices discounted by vendors with banks.

NOTES TO THE FINANCIAL STATEMENTS

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18.1 Total outstanding dues of micro enterprises and small enterprises

Trade payables include the following dues to micro and small enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) to the extent such parties have been identified from the available information.

	As at March 31, 2021	As at March 31, 2020
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount**	52.02	35.88
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED/ settled	-	1.02
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues are actually paid, for the purpose of disallowance of a deductible expenditure	-	-

**including payable to micro enterprises and small enterprises included in other financial liabilities (refer note 19).

19. Other Financial Liabilities

	As at March 31, 2021	As at March 31, 2020
Non-Current		
Derivatives carried at fair value through other comprehensive income		
Forward exchange contracts used for hedging	-	21.43
Interest rate swaps used for hedging	0.54	1.44
	0.54	22.87
Current		
Current maturities of long-term borrowings (Refer note 15)	390.58	742.19

NOTES TO THE FINANCIAL STATEMENTS

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	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due on borrowings	4.47	22.64
Unpaid dividends*	6.57	6.04
Security deposits received	8.62	6.86
Payables to capital creditors		
Total outstanding dues of micro enterprises and small enterprises#	18.65	5.52
Total outstanding dues of creditors other than micro enterprises and small enterprises	27.65	29.69
Derivatives carried at fair value through profit and loss		
Forward exchange contracts used for hedging	-	0.06
Derivatives carried at fair value through other comprehensive income		
Forward exchange contracts used for hedging	-	44.19
Interest rate swaps used for hedging	-	0.98
Others	43.12	33.55
	499.66	891.72

*Amount will be credited to investor education and protection fund if not claimed within seven years from the date of declaration of dividend.

#Refer to note 18.1

20. Tax Assets and Liabilities

	As at March 31, 2021	As at March 31, 2020
Non - Current tax assets		
Advance tax (net of provision for tax)	33.74	35.03
Current tax liabilities		
Provision for tax (net of advance tax)	9.73	9.75

21. Other Liabilities

	As at March 31, 2021	As at March 31, 2020
Current		
Contract liability (Refer note 39)	13.53	10.75
Statutory liabilities	26.00	17.77
Payable to gratuity trust (Refer note 33.2)	4.52	15.82
Other payables	31.74	35.95
	75.79	80.29

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

22. Revenue from Operations*

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products		
Manufactured goods	6,817.90	6,066.34
Traded goods	69.59	120.20
	6,887.49	6,186.54
Other operating revenues		
Claims	0.52	0.25
Export and other incentives	69.23	101.92
Scrap sales	28.36	28.75
Other operating income	2.72	13.38
	100.83	144.30
	6,988.32	6,330.84

Reconciliation of revenue from sale of products with the contracted price

	Year ended March 31, 2021	Year ended March 31, 2020
Contracted price	7,017.01	6,284.35
Less: Discounts, allowances and claims	(129.52)	(97.81)
Sale of products	6,887.49	6,186.54

*Refer note 40(f)

23. Other Income*

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income		
- from customers	0.01	0.08
- on loans and deposits	1.58	1.06
- on others	7.65	11.20
Net gain on sale/ discarding of property, plant and equipment	0.39	12.85
Net gain on financial assets measured at fair value through profit and loss	25.45	9.38
Net foreign currency exchange fluctuation gains	-	1.87
Provision/ liabilities no longer required written back	11.42	2.86
Other non-operating income	16.80	13.99
	63.30	53.29

*Refer note 40(f)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

24.1 Cost of Materials Consumed

	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock of raw materials		
- Continuing operations	465.59	530.13
- Discontinued operations	-	27.89
Add: Purchases of raw materials		
- Continuing operations	3,410.01	3,134.31
- Discontinued operations	-	26.42
Less: Closing stock of raw materials		
- Continuing operations	597.10	465.59
Cost of materials consumed *		
- Continuing operations	3,278.50	3,198.85
- Discontinued operations	-	54.31

*including packing material

24.2 Purchases of Stock in Trade*

	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of stock in trade	60.49	91.40
	60.49	91.40

*Refer note 40(f)

24.3 Changes in inventories of finished goods, work in progress and stock in trade

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year :		
- Continuing operations		
Stock-in-Process	148.97	152.85
Finished goods	284.77	251.88
Traded goods	0.93	1.73
	434.67	406.46
Inventories at the beginning of the year :		
- Continuing operations		
Stock-in-Process	152.85	133.75
Finished goods	251.88	174.15
Traded goods	1.73	2.82
	406.46	310.72
- Discontinued operations		
Stock-in-Process	-	0.34
Finished goods	-	5.66
Traded goods	-	-
	-	6.00
Net (increase) / decrease		
- Continuing operations	(28.21)	(95.74)
- Discontinued operations	-	6.00

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

25. Employee Benefits Expense*

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages, including bonus	444.80	402.31
Contribution to provident and other funds	33.74	31.70
Workmen and staff welfare expenses	54.61	52.09
Employee share based payment expense (Refer note 34)	0.98	0.98
	534.13	487.08

*Refer note 40(f)

26. Finance Cost*

	Year ended March 31, 2021	Year ended March 31, 2020
Interest cost ^		
- Non-convertible debentures	12.27	21.99
- Term loans and others	82.52	130.13
- Lease liabilities	6.49	6.70
Other borrowing costs	9.15	10.13
Exchange differences regarded as an adjustment to borrowing costs	0.78	13.16
	111.21	182.11

^pertains to liabilities measured at amortised cost.

*Refer note 40(f)

27. Depreciation and Amortisation Expense*

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	358.32	328.99
Depreciation of right-of-use assets	18.06	16.74
Amortisation of intangible assets	7.22	7.48
	383.60	353.21

*Refer note 40(f)

28. Other Expense*

	Year ended March 31, 2021	Year ended March 31, 2020
Stores and spares consumed	51.79	54.10
Power and fuel	632.06	628.87
Labour production	36.93	40.62
Rent**	15.62	13.66
Repairs and maintenance		
- Buildings	5.15	6.07
- Plant and machinery	152.85	151.12

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
- Others	30.33	34.30
Insurance	33.26	35.07
Rates and taxes	8.37	35.78
Freight charges	238.39	188.92
Expenditure on corporate social responsibility***	12.88	12.00
Legal and professional charges	27.39	31.00
Travelling and conveyance	3.89	17.16
Directors' sitting fees	0.27	0.21
Selling commission	18.29	12.56
Credit impaired assets provided/ written off	12.06	1.74
Property, plant and equipment provided/ written off	1.37	2.88
Auditor remuneration^		
- Audit fees	0.65	0.50
- For limited review of unaudited financial results	0.54	0.35
- For Corporate governance, consolidated financial statements and other certificates	0.07	0.09
- For tax audit	0.08	0.06
- Reimbursement of out of pocket expenses	0.07	0.09
Effluent disposal expenses	76.18	77.49
Net foreign currency exchange fluctuation loss	7.21	-
Miscellaneous expenses	36.23	42.10
	1,401.93	1,386.74

*Refer note 40(f)

**Refer to note 37

***Refer to note 41(f)

^ Excluding fees of ₹ 0.43 Crore (Previous year: Nil) for QIP related attestation and certification, netted off from securities premium.

29. Income Tax Recognised in Profit and Loss

	Year ended March 31, 2021	Year ended March 31, 2020
Tax expense related to continuing operations	384.91	(13.11)
Tax expense related to discontinued operations	-	61.23
	384.91	48.12
(a) Tax expense related to continuing operations		
Current tax		
In relation to current year	327.21	115.97
Adjustment in relation to earlier years	0.02	(11.71)
	327.23	104.26

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for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax		
- MAT credit entitlement		
In relation to current year	-	(13.83)
Adjustment in relation to earlier years	(5.38)	(22.90)
	(5.38)	(36.73)
- Others		
In relation to current year	58.71	(83.09)
Adjustment in relation to earlier years	4.35	2.45
	63.06	(80.64)
(b) Tax expense related to discontinued operations		
Current tax		
In relation to current year	-	61.23
	-	61.23

The income tax expenses for the year can be reconciled to the accounting profits as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax from continuing operations	1,309.97	780.48
Profit before tax from discontinued operations	-	241.82
Total profit before tax	1,309.97	1,022.30
Income Tax Expenses @ 34.944% (Previous year: 34.944%)	457.76	357.23
Effect of deductions (research and development, share issue expenses and deductions under chapter VI A of Income Tax Act)	(54.59)	(76.74)
Effect of expenses that are not deductible in determining taxable profit	5.48	6.25
Effect of income taxable at lower rate	-	(26.00)
Effect of credit recognised on set-off of carried forward long term capital losses (Refer note (iii) below)	-	(43.40)
Effect of re-measurement of deferred tax balances / lower tax rate on certain temporary differences pursuant to Section 115BAA of Income Tax Act (Refer note 17(i))	(22.73)	(136.11)
Others	-	(0.95)
Income tax expenses recognised in statement of profit and loss in relation to current year	385.92	80.28
Income tax credit recognised in statement of profit and loss in relation to earlier years (Refer note (ii) below)	(1.01)	(32.16)
Total Income tax expenses recognised in profit and loss	384.91	48.12

Notes:

- (i) The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (Previous year: 34.944%) payable by corporate entities in India on taxable profits under the Indian tax law.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

- (ii) Income tax in relation to earlier years includes tax expense of ₹ 1.62 Crores (Previous year: tax credit of ₹ 22.58 Crores) which is related to finalization and determination of deduction/allowance claimed for earlier years under Chapter-VIA of the Income-tax Act, 1961, for generation of power from captive power plants which is based on finalization of transfer pricing study /tax audit reports of the earlier years.
- (iii) The Company had ₹ 186.32 Crores of carried forward long term capital losses as per Income Tax Act, 1961, available for set off, on which no deferred tax asset was recognized till March 31, 2019. Pursuant to recognition of long term capital gain, a tax credit of ₹ 43.40 Crores was recognised during the previous year in respect of such losses in accordance with Ind AS 12 - "Income Taxes".

30. Income Tax Recognised in Other Comprehensive Income

	Year ended March 31, 2021	Year ended March 31, 2020
Arising on income and expense recognised in other comprehensive income		
Net (gain)/ loss on designated portion of hedging instruments in cash flow hedges	(46.24)	57.58
Cost of Hedging Reserve	(0.33)	-
Remeasurement of defined benefit obligation	(0.84)	2.86
	(47.41)	60.44
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	(46.57)	57.58
Items that will not be reclassified to profit or loss	(0.84)	2.86
	(47.41)	60.44

31. Contingent Liabilities and Commitments

	As at March 31, 2021	As at March 31, 2020
a. Claims against the Company not acknowledged as debts		
Goods and services tax, excise duty, custom duty and service tax*	23.11	21.33
Sales tax and entry tax **	20.38	19.08
Income tax (also refer note b(ii) below) ****	3.74	5.79
Others ***	13.19	11.85

* Amount deposited against contingent liability ₹ 1.79 Crores (Previous year: ₹ 2.72 Crores)

** Amount deposited against contingent liability ₹ 7.59 Crores (Previous year: ₹ 4.62 Crores)

*** Amount deposited against contingent liability ₹ 0.40 Crore (Previous year: ₹ 0.49 Crore)

**** Amount deposited against contingent liability ₹ 3.09 Crores (Previous year: ₹ 5.68 Crores)

*** Includes demand by Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. (MPPKVV Ltd) of ₹ 11.40 Crores (Previous year: ₹ 10.06 Crores) which is disputed by the Company.

All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on the results of the operations or financial position of the Company.

- b. (i) The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax amounting to ₹ 18.58 Crores (Previous year: ₹ 25.61 Crores) should not be levied. The Company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

- (ii) The Company had received a draft assessment order for assessment year 2016-17 on December 29, 2019 in which adjustments amounting to ₹ 367.37 Crores were proposed on account of transfer pricing adjustments etc. which were pending before Dispute Resolution Panel as at March 31, 2021. On April 30, 2021 the Company has received the final assessment order wherein adjustments amounting to ₹ 118.49 Crores have been made on account of transfer pricing adjustments, research and development expenditure and others etc. and demand of ₹ 22.66 Crores has been raised. The Company will file rectification application against research and development disallowance as well as towards certain computation error and for rest of the issues, appeal will be filed before ITAT. Based on the facts of the case and the Company's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

- (iii) The Company has received a show cause notice for assessment year 2017-18 on April 23, 2021 wherein adjustments amounting to ₹ 377.44 Crores have been proposed on account of transfer pricing adjustments, research and development expenditure and others etc. Draft assessment order is yet to be passed by the National E-Assessment Centre. Based on the facts of the case and the Company's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

- c. In February 2019, the Honorable Supreme Court of India in its judgement opined on the applicability of allowances that should be considered to measure obligations under Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Company believes that there are interpretative challenges on the application of judgement retrospectively and therefore had applied the judgement on a prospective basis from previous year onwards.

- d. Guarantees given to banks and others for repayment of financial facilities availed by wholly owned subsidiaries are as below:

Name of the subsidiary	Currency	Guarantee amount as at				Loan/payable outstanding against the guarantee as at			
		March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020	
		In Millions	In ₹ Crores^	In Millions	In ₹ Crores^^	In Millions	In ₹ Crores^	In Millions	In ₹ Crores^^
SRF Flexipak South Africa (Pty) Limited	USD	46.00	336.49	46.00	347.58	3.00	21.95	8.00	60.45
	USD *	-	-	12.00	90.67	-	-	0.95	7.15
	USD *	-	-	14.95	112.96	-	-	0.43	3.24
	ZAR *	-	-	80.00	33.92	-	-	60.24	25.54
SRF Global BV	EUR #	22.00	188.72	22.00	181.68	-	-	20.00	165.16
	USD	44.00	321.86	44.00	332.46	10.00	73.16	8.45	63.85
	USD *	-	-	66.00	498.70	-	-	60.00	453.36
SRF Industries (Thailand) Limited	THB *	-	-	682.00	156.86	-	-	50.00	11.50
	EUR	18.00	154.40	18.00	148.64	18.00	154.40	18.00	148.64
	EUR	12.76	109.46	-	-	8.56	73.44	-	-
SRF Europe Kft (Hungary)	EUR	22.00	188.72	22.00	181.68	-	-	1.50	12.39
	EUR	77.00	660.51	77.00	635.87	57.50	493.24	47.92	395.69

*The loan under the said guarantee has been repaid during the current year and the guarantee has been withdrawn.

#The loan under the said guarantee has been repaid during the current year and the Company is in the process of withdrawing this guarantee.

^Converted using closing exchange rate - USD 73.15, Euro 85.780 and THB 2.34

^^Converted using closing exchange rate - USD 75.56, Euro 82.580, ZAR 4.24 and THB 2.30

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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- e. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made.

f. Capital and other commitments

	As at March 31, 2021	As at March 31, 2020
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	690.96	153.75
(ii) The Company has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The Company does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses which have not been provided for.		
(iii) Export obligation under advance license scheme on duty free import of specific raw materials, remaining outstanding is ₹ 619.36 Crores (Previous year: ₹ 204.24 Crores).		

32. Related Party Transactions

32.1 Description of related parties under Ind AS - 24 "Related party disclosures"

Ultimate Holding Entity	Key management personnel (KMP)
ABR Family Trust	Arun Bharat Ram
	Ashish Bharat Ram
Holding Company	Kartik Bharat Ram
KAMA Holdings Limited	Tejpreet S Chopra
	Lakshman Lakshminarayan
Subsidiaries	Vellayan Subbiah
SRF Holiday Home Limited	Meenakshi Gopinath
SRF Global BV	Pramod GopalDas Gujarathi
SRF Industries (Thailand) Limited	Bharti Gupta Ramola
SRF Industex Belting (Pty) Limited	Yash Gupta
SRF Flexipak (South Africa) (Pty) Limited	Puneet Yadu Dalmia
SRF Europe Kft	
SRF Employees Welfare Trust (Controlled trust)	Enterprises over which KMP have significant influence*
	SRF Foundation
Fellow subsidiaries*	Karm Farms LLP
KAMA Realty (Delhi) Limited	Srishti Westend Greens Farms LLP
Shri Educare Limited	SRF Welfare Trust
	BLP Industry AI Private Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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Post Employment Benefit Plans Trust	Relative of KMP#
SRF Limited Officers Provident Fund Trust	Sushil Ramola
SRF Employees Gratuity Trust	Shanthi Narayan
SRF Officers Gratuity Trust	Murugappan Vellayan Subbiah
KMP of Holding Company#	Relative of KMP of Holding Company#
Ekta Maheshwari	Nirmala Kothari
Enterprises over which relative of KMP has control#	
Murugappa & Sons	

Only with whom the Company had transactions during the year

32.2 Transactions with related parties

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of goods to:		
Subsidiaries	28.27	29.55
Enterprises over which KMP have significant influence	-	0.25
	28.27	29.80
Purchase of goods from:		
Subsidiaries	17.50	7.74
	17.50	7.74
Purchase of property, plant & equipment and intangible assets from:		
Holding Company	-	0.15
Subsidiaries	15.37	5.85
	15.37	6.00
Sale of property, plant & equipment and intangible assets to:		
Holding Company	-	0.20
Subsidiaries	1.94	-
	1.94	0.20
Services rendered to:		
Subsidiaries	8.78	7.04
	8.78	7.04
Receiving of Services from :		
Enterprises over which KMP have significant influence	0.07	-
	0.07	-
Rent paid to:		
Fellow Subsidiaries	6.60	6.63

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for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
Subsidiaries	0.06	0.01
Key management personnel	0.27	0.29
Enterprises over which KMP have significant influence	0.27	0.27
	7.20	7.20
Reimbursement of expenses from		
Holding Company	0.01	0.01
Subsidiaries	1.50	1.95
Fellow Subsidiaries	0.05	0.05
	1.56	2.01
Deposits given to		
Subsidiaries	-	0.02
	-	0.02
Loan given to		
Subsidiaries	617.48	-
	617.48	-
Interest received from		
Subsidiaries	0.39	-
	0.39	-
Deposits received back from		
Fellow Subsidiaries	-	0.12
Enterprises over which KMP have significant influence	-	0.04
	-	0.16
Contribution for expenditure on corporate social responsibility		
Enterprises over which KMP have significant influence	9.18	12.00
	9.18	12.00
Investments made in		
Subsidiaries	*	-
	-	-
* Amount in absolute ₹ 25,000 (Previous year: Nil)		
Contribution to post employment benefit plans		
Post Employment Benefit Plans Trust	35.41	24.31
	35.41	24.31
Employee benefit obligations transferred to		
Holding Company	0.02	0.03
Fellow Subsidiaries	-	0.10
Enterprises over which KMP have significant influence	^	-
	0.02	0.13

^Amount in absolute ₹ 25,962 (Previous year: Nil)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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	Year ended March 31, 2021	Year ended March 31, 2020
Employee benefit obligations transferred from		
Holding Company	-	0.09
	-	0.09
Equity dividend paid		
Holding Company	72.12	42.07
Key management personnel	0.12	0.06
Relative of KMP	0.07	0.04
KMP of Holding Company	*	-
Relative of KMP of Holding Company	^	^
Enterprises over which relative of KMP has control	#	-
	72.31	42.17
*Amount in absolute ₹ 168 (Previous year: Nil)		
^Amount in absolute ₹ 240 (Previous year: ₹ 140)		
#Amount in absolute ₹ 24,618 (Previous year: Nil)		
Guarantees issued / renewed		
Subsidiaries*	109.46	1,621.74
	109.46	1,621.74
Guarantees run-down / released		
Subsidiaries*	879.12	1,027.78
	879.12	1,027.78

* Converted using closing exchange rate - March 31, 2021 : USD 75.13, EUR 85.78, THB 2.34 and ZAR 4.95 (Previous year: USD 75.56, EUR 82.58 and THB 2.30) as applicable

32.3 Outstanding Balances:

	Year ended March 31, 2021	Year ended March 31, 2020
Receivables		
Subsidiaries	11.47	17.35
	11.47	17.35
Payables		
Subsidiaries	9.03	5.83
Post Employment Benefit Plans Trust	4.53	14.37
	13.56	20.20
Interest receivable		
Subsidiaries	0.39	-
	0.39	-
Commission payable		
Key management personnel	12.84	10.22
	12.84	10.22

NOTES TO THE FINANCIAL STATEMENTS

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	Year ended March 31, 2021	Year ended March 31, 2020
Security deposits outstanding		
Subsidiaries	0.02	0.02
Fellow Subsidiaries	3.27	3.27
Key management personnel	0.13	0.13
Enterprises over which KMP have significant influence	0.14	0.14
	3.56	3.56
Equity Investment outstanding		
Subsidiaries	83.60	83.60
	83.60	83.60
Loans outstanding		
Subsidiary	610.45	-
	610.45	-
Guarantees outstanding		
Subsidiaries**	1,960.15	2,721.01
	1,960.15	2,721.01

** Converted using closing exchange rate - March 31, 2021 : USD 73.13, EUR 85.78 (Previous year: USD 75.56, EUR 82.58, ZAR 4.24 and THB 2.30)

32.4 Key management personnel compensation

	Year ended March 31, 2021	Year ended March 31, 2020
Short-term benefits*	26.21	22.11
Post-employment benefits	1.44	1.75
Other long-term benefits	0.97	1.25
	28.62	25.11

* Includes sitting fees and commission paid/ payable to non executive directors

33. Employee Benefits

33.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

	Year ended March 31, 2021	Year ended March 31, 2020
Superannuation fund (Refer to note (i) below)	0.61	0.65
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	14.02	12.58
Employees' State Insurance Corporation	0.43	0.58
National Pension Scheme	1.34	1.99
	16.40	15.80

The expenses incurred on account of the above defined contribution plans have been included in Note 25 "Employee Benefits Expenses" under the head "Contribution to provident and other funds".

NOTES TO THE FINANCIAL STATEMENTS

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(i) Superannuation fund

The Company makes contributions to a Trust which in turn contributes to ICICI Prudential Life Insurance Company Limited. Apart from being covered under the Gratuity Plan described below, the employees of the Company also participate in a defined contribution superannuation plan maintained by the Company. The Company has no further obligations under the plan except making annual contributions based on a specified percentage of each covered employee's salary. From November 1, 2006, the Company provided an option to the employees to receive the said benefit as cash compensation along with salary in lieu of the superannuation benefit. Thus, no contribution is required to be made for the category of employees who opted to receive the benefit in cash.

(ii) Provident fund administered through Regional Provident Fund Commissioner

All employees are entitled to Provident Fund benefits as per the law. For certain category of employees the Company administers the benefits through a recognised Provident Fund Trust. The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. For other employees contributions are made to the Regional Provident Fund Commissioners. The Government mandates the annual yield to be provided to the employees on their corpus. This plan is considered as a Defined Contribution Plan. For the first category of employees (covered by the Trust), the Company has an obligation to make good the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government and these are considered as Defined Benefit Plans and are accounted for on the basis of an actuarial valuation.

33.2 Defined benefit plans

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by separate funds which are legally separate from the Company. These plans are:

- Gratuity
- Provident fund for certain category of employees administered through a recognised provident fund trust

(i) These plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

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Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

(ii) The principal assumption used for the purpose of the actuarial valuation were as follows:

	As at March 31, 2021		As at March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	6.69%	6.69%	6.77%	6.77%
Expected statutory interest rate	-	8.50%	-	8.50%
Salary increase	7.00%	-	7.00%	-
Retirement Age (years)	58	58	58	58
Mortality Rates	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Withdrawal rate				
Upto 30 years	20.00%	20.00%	20.00%	20.00%
31 to 44 years	7.00%	7.00%	7.00%	7.00%
Above 44 years	8.00%	8.00%	8.00%	8.00%

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

(iii) Amounts recognised in statement of profit and loss in respect of these benefit plans are as follows:

	Year ended March 31, 2021		Year ended March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	8.03	6.75	7.19	6.07
Interest expenses (net of expected return on plan assets)	1.07	-	0.64	-
	9.10	6.75	7.83	6.07

The current service cost and the net interest expenses for the year are included in Note 25 "Employee Benefits Expenses" under the head "Contribution to provident and other funds".

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(iv) Amounts recognised in Other Comprehensive Income:

	Year ended March 31, 2021		Year ended March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Actuarial (gain)/ losses on plan assets	(5.84)	-	(0.41)	-
Actuarial (gain)/ losses arising from changes in financial assumptions	0.49	-	4.54	-
Actuarial (gain)/ losses arising from changes in experience adjustments	2.94	-	4.06	-
	(2.41)	-	8.19	-

(v) The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	As at March 31, 2021		As at March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	98.72	158.91	85.78	137.01
Fair value of plan assets	94.20	157.71	69.96	136.55
Surplus/ (Deficit)	(4.52)	(1.20)	(15.82)	(0.46)
Effect of asset ceiling, if any	-	-	-	-
Net assets / (liability)	(4.52)	(1.20)	(15.82)	(0.46)

(vi) Movements in the present value of defined benefit obligation are as follows:

	Year ended March 31, 2021		Year ended March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	85.78	137.01	70.66	121.17
Current service cost	8.03	6.75	7.19	6.07
Interest cost	5.81	11.92	5.41	10.32
Actuarial (gain)/ losses arising from changes in financial assumptions	0.49	-	4.54	-
Actuarial (gain)/ losses arising from changes in experience adjustments	2.94	-	4.06	-
Benefits paid	(4.33)	(8.73)	(5.04)	(13.88)
Contribution by plan participants/ employees	-	10.83	-	10.00
Settlement/ transfer in	-	1.13	(1.04)	3.33
Closing defined benefit obligation	98.72	158.91	85.78	137.01

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(All amounts in ₹ Crores, unless otherwise stated)

(vii) Movements in the fair value of plan assets are as follows:

	Year ended March 31, 2021		Year ended March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	69.96	136.55	62.36	123.07
Return on plan assets (excluding amounts included in net interest expenses)	10.58	11.18	5.28	10.14
Contributions from employer	17.99	6.75	8.30	6.07
Contributions from plan participants	-	10.83	-	10.00
Benefits paid	(4.33)	(8.73)	(5.04)	(13.88)
Settlement/ transfer in	-	1.13	(0.94)	1.15
Closing fair value of plan assets	94.20	157.71	69.96	136.55

Gratuity:

Plan assets comprises primarily of investment in HDFC Group Unit Linked Plan fund. The average duration of the defined benefit obligation is 9.14 years (Previous year: 9.08 years). The Company expects to make a contribution of ₹ 8.76 Crores (Previous year: ₹ 8.68 Crores) to the defined benefit plans during the next financial year.

Provident fund:

The plan assets have been primarily invested in government securities and corporate bonds.

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the 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 reporting period, while holding all other assumptions constant.

	Year ended March 31, 2021		Year ended March 31, 2020	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Sensitivity analysis of Gratuity				
Discount rate	(3.00)	3.20	(2.62)	2.79
Expected salary growth	3.17	(3.01)	2.72	(2.63)
Sensitivity analysis of Provident Fund				
Discount rate	(0.01)	0.01	(0.01)	0.01

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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33.3 Other long-term employee benefit

Amounts recognized in the statement of profit and loss in note 25 "Employee Benefits expense" under the head "Salaries and wages, including bonus" are as under:

	Year ended March 31, 2021	Year ended March 31, 2020
Long term retention pay (Refer to note (i) below)	-	0.14
Compensated absences	11.57	11.26
	11.57	11.40

(i) Long Term Retention Pay

The Company has a Long Term Retention Pay Plan which covers employees selected on the basis of their current band and their long term value to the Company. The incentive is payable in three year blocks subject to achievement of certain performance ratings. The Company also has a scheme for talent retention of certain identified employees under which an incentive is payable over a period of three years.

34. Employee Share Based Payments

The Company has an Employee Share Purchase Scheme (SRF Long Term Share Based Incentive Plan) to provide equity settled share based payments to certain employees. The expenses related to the grant of shares under the Scheme are accounted for on the basis of fair value of the share on the grant date (which is the market price of the Company's share on the date of grant less exercise price). The fair value so determined is expensed on a straight line basis over the remaining tenure over which the employees renders their services.

There were no equity shares granted during the current and previous year. Based on the grants made in earlier years, the Company has recognised ₹ 0.98 Crore as share based payment expense during the current year (Previous year: ₹ 0.98 Crore).

35. Segment Reporting

Based on the guiding principles laid down in Indian Accounting Standard (Ind AS) - 108 "Segment Reporting", the Managing Director of the Company is the Chief Operating Decision Maker (CODM) and for the purposes of resource allocation and assessment of segment performance the business of the Company is segregated in the segments below:

- Technical Textiles business: includes nylon tyre cord fabric, belting fabric, polyester tyre cord fabric and industrial yarns and its research and development
- Chemicals business: includes refrigerant gases, industrial chemicals, speciality chemicals, fluorochemicals & allied products and its research and development.
- Packaging Film business: includes polyester films and polypropylene films.
- Others: includes coated fabric, laminated fabric and other ancillary activities.

Segment revenue, results and capital employed include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable.

NOTES TO THE FINANCIAL STATEMENTS

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In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments. These amounts relate to continuing operations, unless otherwise stated. (Refer to note 40 with regard to information in relation to discontinued operations).

b) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

A. Information about operating business segments

	Year ended March 31, 2021	Year ended March 31, 2020
Segment revenue		
a) Technical textiles business (TTB)		
- External sales	1,231.41	1,352.62
- Inter-segment sales	8.70	4.93
Total	1,240.11	1,357.55
b) Chemicals business (CB)		
- External sales	3,636.85	2,984.93
- Inter-segment sales	-	-
Total	3,636.85	2,984.93
c) Packaging films business (PFB)		
- External sales	1,888.04	1,715.03
- Inter-segment sales	-	0.42
Total	1,888.04	1,715.45
d) Others		
- External sales	232.02	278.26
- Inter-segment sales	-	0.08
Total	232.02	278.34
Total segment revenue	6,997.02	6,336.27
Less: Inter segment revenue	8.70	5.43
Revenue from operations	6,988.32	6,330.84
Add: Unallocable income	63.30	53.29
Total revenue	7,051.62	6,384.13

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for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
Segment profits		
(Profit before interest and tax from each segment)		
a) Technical textiles business (TTB)	176.90	151.52
b) Chemicals business (CB)	730.11	516.11
c) Packaging films business (PFB)	567.79	395.80
d) Others	25.59	31.77
Total segment results	1,500.39	1,095.20
Less: i) Interest and finance charges	111.21	182.11
Less: ii) Other unallocable expenses net of income	79.21	312.61
Profit before tax from continuing operations	1,309.97	780.48
Profit before tax from discontinued operations (Refer to note 40)	-	241.82
Total profit before tax	1,309.97	1,022.30
Capital expenditure		
a) Technical textiles business (TTB)	77.90	62.83
b) Chemicals business (CB)	618.66	503.27
c) Packaging films business (PFB)	20.46	41.33
d) Others	1.92	11.67
e) Unallocated	3.13	6.53
Total	722.07	625.63
Depreciation and amortisation		
a) Technical textiles business (TTB)	35.41	34.69
b) Chemicals business (CB)	273.09	245.33
c) Packaging films business (PFB)	54.13	50.86
d) Others	8.06	8.49
e) Unallocated	12.91	13.84
Total	383.60	353.21
Segment assets and liabilities		
	As at March 31, 2021	As at March 31, 2020
Segment assets		
a) Technical textiles business (TTB)	1,594.08	1,390.20
b) Chemicals business (CB)	5,723.01	5,233.16
c) Packaging films business (PFB)	1,667.82	1,481.72
d) Others	171.97	187.37
Total	9,156.88	8,292.45
Unallocable assets	1,554.42	527.13
Total assets	10,711.30	8,819.58

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	As at March 31, 2021	As at March 31, 2020
Segment liabilities		
a) Technical textiles business (TTB)	336.77	305.82
b) Chemicals business (CB)	707.94	514.46
c) Packaging films business (PFB)	338.22	291.15
d) Others	32.85	43.68
Total	1,415.78	1,155.11
Unallocable liabilities	3,000.25	2,980.22
Total liabilities	4,416.03	4,135.33

B. Information about geographical business segments

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations		
- India	3,581.87	3,639.45
- Germany	466.31	525.59
- USA	477.13	372.02
- Belgium	635.51	293.59
- Switzerland	687.75	425.38
- Others	1,139.75	1,074.81
	6,988.32	6,330.84

	As at March 31, 2021	As at March 31, 2020
Non current segment assets		
- Within India	6,505.08	6,022.14
- Outside India	-	-
	6,505.08	6,022.14

Non-current segment assets includes property, plant and equipments, right-of-use assets, capital work in progress, intangible assets, goodwill and other non current assets.

During the year ended March 31, 2021 one customer contributed 10.71% to the Company's revenue (Previous year: None).

Revenue from major products	Year ended March 31, 2021	Year ended March 31, 2020
a) Technical textiles business (TTB)		
Nylon tyre cord fabric/ Polyester tyre cord fabric/ Belting fabric	1,122.94	1,178.73
Synthetic filament yarn including industrial yarn/ Twine	97.21	162.86
Others	0.62	-

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for the year ended March 31, 2021

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Revenue from major products	Year ended March 31, 2021	Year ended March 31, 2020
b) Chemicals business (CB)		
Speciality chemicals	2,389.39	1,623.83
Fluorochemicals, Refrigerant gases and Allied products	885.95	939.06
Industrial chemicals	311.00	344.89
Others	0.75	1.31
c) Packaging films business (PFB)		
Packaging films	1,853.37	1,671.53
d) Others		
Laminated fabric, Coated fabric and other ancilliary activities	226.26	264.33
	6,887.49	6,186.54

36. Earnings Per Share (EPS)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share:		
- From continuing operations	925.06	793.59
- From discontinued operations	-	180.59
- From continuing and discontinued operations	925.06	974.18
Weighted average number of equity shares for the purpose of calculating basic earnings per shares and diluted earnings per share (numbers)	5,82,83,078	5,74,80,500
Basic and diluted earnings per share of face value ₹ 10 each		
- From continuing operations (₹)	158.72	138.06
- From discontinued operations (₹)	-	31.42
- From continuing and discontinued operations (₹)	158.72	169.48

37. Leases

The Company leases various types of assets including land, buildings and plant and equipment. Information about leases for which the Company is a lessee is presented below.

Right-of-use assets	Land*	Buildings	Plant and equipment	Total
Cost				
Balance at April 1, 2019	140.02	43.96	21.67	205.65
Additions / adjustments	13.89	1.02	28.96	43.87
Disposals / adjustments	(5.87)	-	-	(5.87)
Balance at March 31, 2020	148.04	44.98	50.63	243.65
Additions / adjustments	3.25	2.13	1.86	7.24
Disposals / adjustments	-	(0.86)	(2.60)	(3.46)
Balance at March 31, 2021	151.29	46.25	49.89	247.43

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Right-of-use assets	Land*	Buildings	Plant and equipment	Total
Accumulated amortisation				
Balance at April 1, 2019	-	-	-	-
Depreciation expenses	1.54	6.76	8.44	16.74
Disposals / adjustments	(0.67)	-	-	(0.67)
Balance at March 31, 2020	0.87	6.76	8.44	16.07
Depreciation expenses	1.68	7.07	9.31	18.06
Disposals / adjustments	-	(0.86)	(2.60)	(3.46)
Balance at March 31, 2021	2.55	12.97	15.15	30.67
Carrying Amount				
Balance at April 1, 2019	140.02	43.96	21.67	205.65
Additions / adjustments	13.89	1.02	28.96	43.87
Disposals / adjustments	(5.20)	-	-	(5.20)
Depreciation expenses	(1.54)	(6.76)	(8.44)	(16.74)
Balance at March 31, 2020	147.17	38.22	42.19	227.58
Additions / adjustments	3.25	2.13	1.86	7.24
Disposals / adjustments	-	-	-	-
Depreciation expenses	(1.68)	(7.07)	(9.31)	(18.06)
Balance at March 31, 2021	148.74	33.28	34.74	216.76

*The execution of lease deed of land in respect of 1,149,550 sq. mtrs. (Previous year: 1,149,550 sq. mtrs.) of leasehold land allotted to the Company by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

Lease liabilities

Lease liabilities included in the Balance Sheet	As at March 31, 2021	As at March 31, 2020
Current	13.80	13.71
Non-current	63.83	73.98

The average incremental borrowing rate applied to lease liabilities during the year ranges from 6.50% to 8.00% (Previous year: 8.00%).

Amounts recognised in Statement of Profit and Loss	Year ended March 31, 2021	Year ended March 31, 2020
Interest on lease liabilities	6.49	6.70
Depreciation expense	18.06	16.74
Expenses relating to short-term leases and leases of low-value assets (Refer note 28)	15.62	13.66

Amounts recognised in Cash Flow Statement	Year ended March 31, 2021	Year ended March 31, 2020
Total cash outflow for leases	20.19	18.87

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38. Financial Instruments and Risk Management

38.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders by maintaining a reasonable balance between debt and equity. The capital structure of the Company consists of net debt (borrowings net of cash and cash equivalents, deposit accounts with maturity beyond three months upto twelve months and current investments) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on periodic basis. As part of its review, the management considers the cost of capital and risk associated with each class of capital. The Company also evaluates its gearing measures using Debt Equity Ratio to arrive at an appropriate level of debt and accordingly evolves its capital structure.

The following table provides the details of the debt and equity at the end of the reporting periods :

	As at March 31, 2021	As at March 31, 2020
Debt	2,652.71	2,752.12
Less:		
Cash and cash equivalents	86.72	98.26
Deposit accounts with maturity beyond three months upto twelve months	135.19	0.10
Current investments	412.52	198.50
Net debt	2,018.28	2,455.26
Total equity	6,295.27	4,684.25
Net debt to equity ratio	0.32	0.52

38.2 Financial instruments by category

Financial assets	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Measured at amortised cost						
Trade Receivables		a	1,012.00	768.71	1,012.00	768.71
Cash and cash equivalents		a	86.72	98.26	86.72	98.26
Bank balances other than above		a	143.71	9.03	143.71	9.03
Loans		a, b	666.28	52.30	666.28	52.30
Other financial assets		a, b	180.00	186.02	180.00	186.02
			2,088.71	1,114.32	2,088.71	1,114.32
Measured at Fair value through profit and loss						
Investments in mutual funds and bonds / debentures	2	d	412.52	198.50	412.52	198.50
Derivative instruments	2	d	4.39	-	4.39	-
			416.91	198.50	416.91	198.50

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Financial assets	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Measured at Fair value through Other comprehensive income						
Investments in unquoted equity instruments	3	d	4.16	4.16	4.16	4.16
Derivative instruments	2	d	75.76	-	75.76	-
			79.92	4.16	79.92	4.16
Measured at amortised cost						
Borrowings		a,c	2,184.49	1,922.23	2,184.49	1,922.23
Trade payables		a	1,196.49	957.44	1,196.49	957.44
Other financial liabilities		a	499.66	846.49	499.66	846.49
			3,880.64	3,726.16	3,880.64	3,726.16
Measured at Fair value through profit and loss						
Derivative instruments	2	d	-	0.06	-	0.06
			-	0.06	-	0.06
Measured at Fair value through Other comprehensive income						
Derivative instruments	2	d	0.54	68.04	0.54	68.04
			0.54	68.04	0.54	68.04

The following methods/ assumptions were used to estimate the fair values:

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- The fair value of other long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.
- The fair value is determined by using the valuation model/ technique with observable/ non-observable inputs and assumptions.
- Investment value excludes investment in subsidiaries which are shown at cost in balance sheet as per Ind AS 27 "Separate financial statements".

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2021 and March 31, 2020.

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Level 1:

Quoted prices in the active market: This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2:

Valuation techniques with significant observable inputs: This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of over the counter (OTC) derivative contracts, open ended mutual funds, bonds and debentures.

Level 3:

Valuation techniques with significant unobservable inputs: This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Investments in mutual funds and bonds / debentures: Fair value is determined by reference to quotes from the financial institutions.
- Derivative contracts: The Company has entered into various foreign currency contracts and interest rate swaps contracts to manage its exposure to fluctuations in foreign exchange rates and interest rate respectively. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the authorized dealers banks and forward exchange rates at the balance sheet date.
- Unquoted equity investments: Fair value is determined based on the recoverable value as per agreement with the investee.

Reconciliation of Level 3 fair value measurements	Unlisted equity instruments	Financial Guarantee Contracts
As at March 31, 2019	0.11	2.55
Purchase of investment	4.05	-
Income recognised in profit and loss	-	(2.55)
As at March 31, 2020	4.16	-
Purchase of investment	-	-
As at March 31, 2021	4.16	-

Sensitivity of the fair value measurement to changes in unobservable inputs for financial instruments in Level 3 level of hierarchy is insignificant.

38.3 Financial Risk Management

The Company is exposed to various financial risks arising from its underlying operations and finance activities. The Company is primarily exposed to market risk (i.e. interest rate and foreign currency risk) and

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to credit risk and liquidity risk. The Company's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management within the Company is governed by policies and guidelines approved by the senior management and the Board of Directors. These policies and guidelines cover interest rate risk, foreign currency risk, credit risk and liquidity risk. Company policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function within the Company. Review of the financial risk is done on a monthly basis by the Managing Director and on a quarterly basis by the Board of Directors. The objective of financial risk management is to contain, where deemed appropriate, exposures on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the Company's results and financial position.

In accordance with its financial risk management policies, the Company manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. It is the Company's policy and practice neither to enter into derivative transactions for speculative purpose, nor for any purpose unrelated to the underlying business. The Board of Directors/ Managing Director reviews and approves policies for managing each of the above risks.

38.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The Company enters into derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk.

A. Foreign Currency Risk Management

Foreign currency risk also known as Exchange Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign currency risk in the Company is attributable to Company's operating activities, investing activities and financing activities.

In the operating activities, the Company's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). In compliance with the Board approved policy, the Company manages the net exposure on a rolling 12 month basis and for exposures between 12 to 36 months, hedging is done based on specific exposure. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the Company are mainly in U.S. Dollar (USD), Euro (EUR), Japanese Yen (JPY) and British Pound Sterling (GBP). The Company's exposure to foreign currency changes for all other currencies is not material.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in ₹ are as follows:

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	Assets		Liabilities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	729.29	247.47	1,903.09	1,483.12
EUR	257.67	111.16	512.07	585.07
JPY	-	-	9.95	6.87
GBP	3.15	4.13	13.12	0.14

Foreign currency sensitivity analysis

The Company is mainly exposed to changes in USD, EUR, JPY and GBP exchange rates.

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2021		Year ended March 31, 2020	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss)*				
USD	6.10	(6.10)	8.43	(8.43)
EUR	(2.52)	2.52	(1.03)	1.03
JPY	0.10	(0.10)	0.07	(0.07)
GBP	0.10	(0.10)	(0.04)	0.04

*Includes sensitivity on long-term foreign currency monetary items on which Para D13 AA of Ind AS 101 has been applied. Accordingly, the exchange loss/ (gain) arising on long term foreign currency monetary items relating to acquisition of depreciable assets will be added to/ deleted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of assets.

Impact on equity (Other Comprehensive Income)				
USD	5.49	(5.49)	3.78	(3.78)
EUR	5.08	(5.08)	5.78	(5.78)

Foreign exchange derivative and non-derivative financial instruments

The Company uses derivative as well as non-derivative financial instruments for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within of 1 to 36 months for hedges of forecasted sales, purchases, loans and liabilities and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contracts*	No of Deals		Contract Value of Foreign Currency (In Millions)		Maturity			
					Up to 12 months Nominal Amount* (₹ Crores)		More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD / INR Sell forward	264	196	513.25	254.56	2,029.40	1,243.67	1,998.63	680.78
EUR / USD Sell forward	-	4	-	6.00	-	50.51	-	-
EUR / INR Sell forward	17	27	40.50	38.00	181.53	172.65	202.77	153.78

* Computed using average forward contract rates

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in forward rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2021		Year ended March 31, 2020	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) for the year				
USD	1.76	(1.76)	0.27	(0.27)
EUR	0.34	(0.34)	0.50	(0.50)
Impact on equity				
USD	37.82	(37.82)	19.60	(19.60)
EUR	3.40	(3.40)	3.31	(3.31)

B. Interest Rate Risk Management

Interest rate risk arises from movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings. The Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts, calculated by reference to an agreed principal amount outstanding at the time of inception of the swap. Out of the total long term borrowings, the amount of fixed interest loan is ₹ 899 Crores and floating interest loan is ₹ 917 Crores (Previous year: Fixed interest loan ₹ 838 Crores and Floating interest loan ₹ 1,026 Crores).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate long term borrowings, as follows:

	Year ended March 31, 2021		Year ended March 31, 2020	
	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %
Increase in profit before tax by	2.85	0.52	1.48	1.09

In case of increase in interest rate by above mentioned percentage, there would be a comparable negative impact on the profit before tax as mentioned above.

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Company has exposures to USD-LIBOR and EUR-IBOR on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition. The management monitors the Company's transition to alternative rates. The management evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

The Company holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are linked to USD LIBOR. Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness.

Some of the Company's existing USD LIBOR cash flow hedging relationships extend beyond the anticipated cessation date for USD LIBOR. The Company will apply the amendments to Ind AS 109 issued via Companies (Indian Accounting Standards) Amendment Rules, 2020 issued by the Ministry of Corporate Affairs on 24 July 2020, to those hedging relationships directly affected by IBOR reform, as applicable.

Interest Rate Swap Contracts

Under interest rate swap (IRS) contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on the agreed notional principal amounts. Such contracts enables the Company to mitigate the risk of changing interest rates.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The following table details the IRS contracts outstanding at the end of the reporting period:

Outstanding Contracts	No of Deals		Contract Value of Foreign Currency (In Millions)		Maturity			
					Up to 12 months Nominal Amount* (₹ Crores)		More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
IRS Contracts*	4	3	31.05	15.05	85.49	26.71	141.68	86.99

*Sensitivity on the above IRS contracts in respect of interest rate exposure is insignificant

Each of the above trades are in the nature of cash flow hedges and are effective hedges. The mark to market on these trades is therefore routed through Cash flow Hedge Reserve. The interest rate swap and the interest payments on the loan are paid simultaneously and are charged off to the statement of profit and loss.

C. Hedge accounting

Cash flow hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2021			Year ended March 31, 2021	As at March 31, 2020			Year ended March 31, 2020
	Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included		Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	
Foreign exchange contracts	4,197.13	74.75	Other financial assets (current and non - current)	140.37	2,224.80	(65.62)	Other financial liabilities (current and non - current)	(92.75)
Foreign currency denominated loans	1,055.91	(1,055.91)	Borrowings (current and non - current)	(1.27)	955.86	(955.86)	Non current borrowings	(65.90)
		1.01	Other financial assets (current and non - current)	1.01		-	Other financial assets (current and non - current)	
Interest rate swap contacts	227.17	(0.54)	Other financial liabilities (current and non - current)	1.88	113.70	(2.42)	Other financial liabilities (current and non - current)	(6.14)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Fair Value hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2021			Year ended March 31, 2021	As at March 31, 2020			Year ended March 31, 2020
	Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included		Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	
Foreign exchange contracts	215.21	4.39	Other financial assets (current and non - current)	4.44	76.58	(0.06)	Other financial liabilities (current and non - current)	(3.46)

Movement of cash flow hedging reserve and cost of hedging reserve

Particulars	Cash flow hedging reserve		Cost of hedging reserve	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Opening Balance	(78.56)	28.65	-	-
Changes in the spot element of the forward contracts which is designated as hedging instruments for time period related hedge	7.04	-	-	-
Changes in the forward element of the forward contracts where changes in spot element of forward contract is designated as hedging instruments for time period related hedges	-	-	3.87	-
Changes in fair value of forward contracts designated as hedging instruments	130.71	(92.75)	-	-
Changes in fair value of interest rate swaps	2.89	(6.14)	-	-
Amount reclassified to Profit or Loss (Foreign exchange (gain) / loss)	3.12	-	(2.92)	-
Amount arising from remeasurement of financial liability	(11.43)	(65.90)	-	-
Taxes related to above	(46.24)	57.58	(0.33)	-
Closing Balance	7.53	(78.56)	0.62	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

38.3.2 Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables, loans and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with counterparties who meet the parameters specified in Investment Policy of the Company. The investment policy is reviewed by the Company's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as to minimize the concentration of risks and therefore mitigate financial loss due to counterparty's potential failure.

Expected credit loss on financial assets:

To manage credit risk for trade receivables, the Company establishes credit approvals and credit limits, periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on these financial assets other than as detailed below.

Loss allowance for the following financial assets have been recognised by the Company:

	Note No.	As at March 31, 2021	As at March 31, 2020
Loans - current	6	2.74	2.74
Trade receivables	10	3.96	2.46
		6.70	5.20

Movement of loss allowance :

	Loans (current and non current)	Trade receivables
As at March 31, 2019	2.81	1.64
Provided during the year	0.31	1.56
Reversed / utilised during the year	(0.38)	(0.74)
As at March 31, 2020	2.74	2.46
Provided during the year	0.24	11.82
Reversed / utilised during the year	(0.24)	(10.32)
As at March 31, 2021	2.74	3.96

Other than financial assets mentioned above, none of the Company's financial assets are impaired, as there are no indications that defaults in payments obligation would occur.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

38.3.3 Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the Company to meet its financial obligations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of money market instruments, bank overdrafts, bank loans, debentures and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director, Chief Financial Officer and Treasury Head. The Company assesses the concentration of risk with respect to refinancing its debt, guarantee given and funding of its capital expenditure needs of the future. The Company manages its liquidity by holding appropriate volumes of liquid assets which are available for its disposal on T + 1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyze the Company's financial liabilities into relevant maturity profiles based on their contractual maturities:

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2021				
Borrowings*	1,198.91	1,466.63	-	2,665.54
Lease Liabilities**	19.30	53.85	53.68	126.83
Trade payables	1,196.49	-	-	1,196.49
Other financial liabilities	109.08	0.54	-	109.62
	2,523.78	1,521.02	53.68	4,098.48
	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2020				
Borrowings*	1,606.02	1,122.11	20.24	2,748.37
Lease Liabilities**	20.06	57.23	65.09	142.38
Trade payables	957.44	-	-	957.44
Other financial liabilities	149.53	22.87	-	172.40
	2,733.05	1,202.21	85.33	4,020.59

*Includes current maturity of non-current borrowings and future cash outflow towards estimated interest on non-current borrowings.

** Includes future cash outflow towards estimated interest on lease liabilities.

39. Contract Balances

The following table provides information about contract assets and contract liabilities from contracts with customers:

Contract assets	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	-	25.52
Increase as a result of changes in measure of progress	-	-
Transfer from contract assets recognised at the beginning of the year to receivables	-	25.52
	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Contract liability	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	10.75	14.74
Revenue recognised that was included in the contract liability balance at the beginning of the period	(10.75)	(14.74)
Increase due to cash received, excluding the amount recognised as revenue during the period	13.53	10.75
	13.53	10.75

40. Discontinued Operations

(a) Description:

On May 11, 2019, the Company entered into a business transfer agreement for sale of its Engineering Plastics Business, which has been divested with effect from August 1, 2019. The business was reported under "Others segment" in accordance with the requirements of Ind AS 108 – "Operating Segments" in the financial statements till the year prior to the previous year. The relevant financial information of the said business has been disclosed under discontinued operations in terms of Ind AS 105- "Non-current assets held for sale and discontinued operations" as below:

(b) Financial performance and Cash flow information:

Sl. no.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
I (a)	Sale of products	-	74.87
(b)	Other operating revenues	-	0.26
(c)	Revenue from operations {I(a)+I(b)}	-	75.13
(d)	Other income	-	-
(e)	Total income {I(c)+I(d)}	-	75.13
(f)	Total expenses	-	67.05
(g)	Profit before tax for the period from discontinued operations {I(e)-I(f)}	-	8.08
(h)	Tax expense related to discontinued operations	-	2.82
(i)	Net Profit after tax for the period from discontinued operations {I(g)-I(h)}	-	5.26
II (a)	Profit before tax on disposal of discontinued operations	-	233.74
(b)	Tax expense related to disposal of discontinued operations	-	58.41
(c)	Net Profit after tax on disposal of discontinued operations {II(a)-II(b)}	-	175.33
III	Net Profit after tax for the period from discontinued operations {I(i)+II(c)}	-	180.59
IV	Net cash generated from operating activities	-	17.29
V	Net cash generated from / (used in) investing activities	-	268.92
VI	Net cash used in financing activities	-	(0.14)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(c) Revenue from major products

	Year ended March 31, 2021	Year ended March 31, 2020
Nylon/ PBT/ PC compounding chips	-	74.87

(d) Details of disposal of discontinued operations:

	Year ended March 31, 2021	Year ended March 31, 2020
Proceeds from slump sale of business	-	315.77
Carrying amount of net assets transferred	-	(76.32)
Costs incurred on slump sale of business	-	(5.71)
Profit before tax on disposal of discontinued operations	-	233.74
Tax expense related to disposal of discontinued operations	-	(58.41)
Net Profit after tax on disposal of discontinued operations	-	175.33

(e) The carrying amounts of assets and liabilities as at the date of sale were as follows:

	As at July 31, 2019
Property, plant and equipment	44.86
Goodwill	0.79
Intangible assets	0.22
Inventory	25.07
Trade receivables	25.27
Other assets	0.42
Total assets	96.63
Trade payables	(19.59)
Other liabilities and provisions	(0.72)
Total liabilities	(20.31)
Net assets transferred	76.32

(f) Pursuant to requirements of Ind AS 105, the amounts in the statement of profit and loss (and notes 22 to 28) for the previous year have been presented for continuing operations, as applicable, unless otherwise stated.

41. Additional Disclosures

(a) Research and Development Expenditure

The details of research and development expenditure of ₹ 110.50 Crores (Previous year: ₹ 132.77 Crores) included in these financial statements are as under:

	Year ended March 31, 2021	Year ended March 31, 2020
Capital expenditure	13.46	33.09
Revenue expenditure	97.04	99.68
	110.50	132.77

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The details of revenue expenditure incurred on research and development is as below:

	Year ended March 31, 2021	Year ended March 31, 2020
Cost of material consumed	2.73	1.51
Salaries and wages, including bonus	42.97	37.85
Contribution to provident and other funds	2.61	2.45
Workmen and staff welfare expenses	2.72	3.62
Stores and spares consumed	6.11	6.15
Power and fuel	4.84	7.74
Rent	-	0.04
Repairs and maintenance		
- Buildings	-	-
- Plant and machinery	8.32	10.86
- Others	0.58	1.26
Insurance	0.96	0.87
Rates and taxes	0.07	0.04
Travelling and conveyance	0.16	1.27
Legal and professional charges	3.58	3.95
Depreciation and amortisation expense	18.33	19.09
Interest cost	0.28	0.36
Miscellaneous expenses	2.78	2.62
	97.04	99.68

(b) Managerial Remuneration

	Year ended March 31, 2021	Year ended March 31, 2020
(i) (a) Remuneration to Chairman/ Managing Director/ Deputy Managing Director/ Whole time Director		
Salary and contribution to provident and other funds	12.04	11.05
Value of perquisites	2.36	2.26
Commission	12.00	9.50
SUB-TOTAL	26.40	22.81
(b) Remuneration to Non Executive Directors		
Commission	0.84	0.72
Directors' sitting fees	0.27	0.21
Other fees	0.14	0.12
SUB-TOTAL	1.25	1.05
TOTAL	27.65	23.86

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(ii) Computation of managerial remuneration in accordance with section 197 of the Companies Act, 2013

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before taxation	1,309.97	1,022.30
Add:		
Managerial remuneration including commission	27.65	23.86
Loss/ write off of fixed assets as per accounts	1.37	2.87
Provision for doubtful debts/ advances/ investments	1.44	0.86
Sub Total	30.46	27.59
Less:		
Profit on sale of fixed assets as per accounts	0.39	12.76
Profit on disposal of discontinued operations	-	233.74
Net Gain on financial assets measured at FVTPL	25.45	9.38
Excess Provision written back	11.42	2.82
Sub Total	37.26	258.70
Profit as per section 197 of the Companies Act, 2013	1,303.17	791.19
Maximum remuneration as commission and/ or salary including perquisites @ 10% of net profit of ₹ 1303.17 Crores (Previous year: ₹ 791.19 Crores) which can be paid to Managing Directors/ Whole time Directors under section 197 of the 2013 Act	130.32	79.12
Remuneration paid/ payable to Managing Directors / Whole Time Directors	26.40	22.81
Maximum remuneration payable to Non-Executive Directors @ 1% of net profit of ₹ 1303.17 Crores (Previous year: ₹ 791.19 Crores) under section 197 of the 2013 Act	13.03	7.91
Remuneration paid/ payable to Non-Executive Directors	1.25	1.05

- (c) The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13 AA of Ind AS 101. Accordingly, exchange loss/ (gain) arising on all long term monetary items financed or re-financed on or before March 31, 2016 relating to acquisition of following depreciable assets are added to/ adjusted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of such assets.

Exchange loss/ (gain) added/ (adjusted)	Year ended March 31, 2021	Year ended March 31, 2020
Property, plant and equipment		
- Plant and equipment	(8.60)	32.97
	(8.60)	32.97
Other Intangible Assets		
- Trade marks/ Brands	-	0.33
- Technical knowhow	-	0.19
- Others	-	0.09
	-	0.61

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The cumulative exchange loss/ (gain) added/ (adjusted) and remaining unamortised as at March 31, 2021 is ₹ 130.49 Crores (Previous year: ₹ 153.11 Crores).

(d) Disclosures pursuant to section 186(4) of the Companies Act, 2013 and regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as applicable:

(i) Details of guarantees:

Nature of Guarantees	Purpose
Refer note 31 (d) above	To secure the financial facilities sanctioned to subsidiaries by banks and other companies.

(ii) Details of investments:

Nature of Investments	Purpose
Refer note 5.1 above	Investment in wholly owned subsidiaries.

(iii) Details of unsecured loans given:

Particulars of loans	Terms	As at March 31, 2021	As at March 31, 2020
SRF Global BV (denominated in USD) - given for prepayment of existing borrowings	Principal amount repayable from December 2021 to March 2023. Interest on a fixed rate basis, payable annually. The effective yield is in compliance with Section 186 of the Companies Act, 2013.		
As at the beginning of the year		-	-
Given during the year		439.45	-
Foreign currency exchange fluctuation gain / (loss)		(0.55)	-
As at end of the year		438.90	-
Maximum balance outstanding		439.45	-
SRF Global BV (denominated in EUR) - given for prepayment of existing borrowings	Principal amount repayable in June 2023. Interest on a fixed rate basis, payable annually. The effective yield is in compliance with Section 186 of the Companies Act, 2013.		
As at the beginning of the year		-	-
Given during the year		178.03	-
Foreign currency exchange fluctuation gain / (loss)		(6.48)	-
As at end of the year		171.55	-
Maximum balance outstanding		178.03	-

(e) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

specified domestic transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2021 is to be conducted on or before due date of the filing of return and the Company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

(f) Disclosure on corporate social responsibility expense:

	Year ended March 31, 2021	Year ended March 31, 2020
(i) Prescribed CSR expenditure as per Section 135 of the Companies Act, 2013	12.88	11.63
(ii) Amount approved by the Board to be spent during the year	12.88	12.00
(iii) Actual amount spent during the year on purposes other than construction / acquisition of an asset (also refer note 32.2)	10.18	12.00
Details of expenditure:		
- In respect of ongoing projects (rural education and skill programme):		
a) Amount required to be spent during the year	7.00	-
b) Actual amount spent during the year from companies bank account	4.30	-
c) Remaining unpaid at the end of the year with company*	2.70	-
- In respect of other than ongoing projects:		
a) Amount required to be spent during the year	5.88	11.63
b) Actual amount spent during the year from companies bank account	5.88	12.00

*Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the unspent amount has been subsequently deposited in a "Unspent CSR Account".

(g) The Code of Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.

As per our report attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place : Delhi
Date : May 21, 2021

For and on behalf of the Board of Directors

Ashish Bharat Ram **Kartik Bharat Ram**
Managing Director Deputy Managing Director
DIN - 00671567 DIN - 00008557
Place : Delhi Place : Delhi
Date : May 05, 2021 Date : May 05, 2021

Rahul Jain **Bharti Gupta Ramola**
President & CFO Director
Place : Gurugram DIN - 00356188
Date : May 05, 2021 Place : Gurugram
Date : May 05, 2021

Rajat Lakhnarpal
Vice President
(Corporate Compliance)
and Company Secretary
Place : Delhi
Date : May 05, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of SRF Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of SRF Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant 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 of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated

changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated 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 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.

The key audit matter

Accounting for derivatives

An important element of Group's fund-raising strategy involves various types of borrowings including foreign currency denominated borrowings and a combination of fixed and floating interest rates, and also foreign currency denominated loans and advances to other parties. The Group's operating activities are also exposed to significant foreign exchange risk (refer to note 40 of the consolidated financial statements).

How the matter was addressed in our audit

In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:

- Tested the design, implementation and operating effectiveness of controls over the Group's treasury and other related functions which directly impact the relevant account balances and transactions, including hedge accounting.

The key audit matter

The Group uses derivative financial instruments to mitigate foreign currency risk and interest rate risk primarily through foreign currency forward exchange contracts and interest rate swaps.

Further, the Group has been using hedge relationship designation as per criteria set out in relevant Indian accounting standards.

Accounting thereof and related presentation and disclosures of these transactions require significant judgement.

Given the significant level of judgement and estimation involved and the quantitative significance, we have determined this to be a key audit matter.

How the matter was addressed in our audit

- For selected samples via statistical routines, obtained external confirmations from counterparties of the year end positions as well as agreed to original agreements.
- Performed sample tests of valuation and accounting of these transactions. In doing so we have involved valuation specialists to assist us in carrying out aforesaid procedure, as considered necessary.
- Assessed the adequacy of disclosures in the financial statements in respect of both non-derivative and derivative financial instruments.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial

statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (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 adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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 each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

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 control 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 consolidated 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 appropriateness of this assumption. 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; and
- obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which

we are the independent auditors. For the 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 para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 Matters

- (a) We did not audit the financial statements of seven subsidiaries, whose financial information reflect total assets of ₹ 3,586.81 crores (before consolidation adjustments) as at 31 March 2021, total revenues of ₹ 1,476.49 crores (before consolidation adjustments) and net cash inflows amounting to ₹ 33.40 crores (before consolidation adjustments) for the year ended on that date, as considered in the consolidated financial statements. 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 statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Certain of 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 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. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not

modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. 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 such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' 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 purposes of our audit of the aforesaid consolidated financial statements.
- b) in our opinion, proper books of account 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 the 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, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on

record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act; and

- f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

- i. the consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements.
- ii. provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 40 to the consolidated financial statements in respect of such items as it relates to the Group.
- iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2021.

- iv. the disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of

the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore

Partner

Place: Delhi

Date: 21 May 2021

Membership No. 090075

UDIN: 21090075AAAAAK7147

ANNEXURE A to the Independent Auditors' report on the consolidated financial statements of SRF Limited for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of SRF Limited as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of SRF Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control 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 the respective 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company in terms of their

reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 controls with reference to consolidated 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore

Partner

Place: Delhi

Membership No. 090075

Date: 21 May 2021

UDIN: 21090075AAAAAK7147

CONSOLIDATED BALANCE SHEET

as at March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	7,497.21	6,022.93
Right-of-use assets	43	216.76	227.58
Capital work-in-progress		772.26	1,393.29
Goodwill	5	0.62	0.62
Other intangible assets	6	112.37	116.46
Financial assets			
(i) Investments	7	4.16	4.16
(ii) Loans	8	46.44	43.87
(iii) Other financial assets	10	44.69	15.86
Deferred tax assets	9	18.14	14.26
Non current tax assets (net)	22	33.74	35.03
Other non-current assets	11	244.10	96.50
Total non-current assets		8,990.49	7,970.56
Current assets			
Inventories	12	1,465.82	1,201.23
Financial assets			
(i) Investments	7	412.52	198.50
(ii) Trade receivables	13	1,274.56	891.07
(iii) Cash and cash equivalents	14	138.29	116.44
(iv) Bank balances other than above	15	143.71	9.03
(v) Loans	8	11.21	25.17
(vi) Other financial assets	10	225.85	170.38
Current tax assets (net)	22	-	1.74
Other current assets	11	266.96	280.80
Total current assets		3,938.92	2,894.36
Assets classified as held for sale	42	-	11.84
TOTAL ASSETS		12,929.41	10,876.76
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	60.26	58.50
Other equity	17	6,796.16	4,874.82
Total equity		6,856.42	4,933.32

CONSOLIDATED BALANCE SHEET (CONTD.)

as at March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	1,965.01	2,311.63
(ii) Lease liabilities	43	63.83	73.98
(iii) Other financial liabilities	21	0.54	22.87
Provisions	19	43.55	37.53
Deferred tax liabilities (net)	9	386.16	175.50
Other non-current liabilities	23	42.77	14.00
Total non-current liabilities		2,501.86	2,635.51
Current liabilities			
Financial liabilities			
(i) Borrowings	18	965.70	955.44
(ii) Lease liabilities	43	13.80	13.71
(iii) Trade payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		33.37	30.36
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,551.82	1,081.33
(iv) Other financial liabilities	21	892.54	1,124.54
Other current liabilities	23	92.73	86.18
Provisions	19	8.68	6.62
Current tax liabilities (Net)	22	12.49	9.75
Total current liabilities		3,571.13	3,307.93
Total Liabilities		6,072.99	5,943.44
TOTAL EQUITY AND LIABILITIES		12,929.41	10,876.76
Summary of significant accounting policies	1-3		
See accompanying notes to the consolidated financial statements	4 to 46		

As per our report attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W/W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place : Delhi
Date : May 21, 2021

For and on behalf of the Board of Directors

Ashish Bharat Ram
Managing Director
DIN - 00671567
Place : Delhi
Date : May 05, 2021

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557
Place : Delhi
Date : May 05, 2021

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram
Date : May 05, 2021

Rahul Jain
President & CFO
Place : Gurugram
Date : May 05, 2021

Rajat Lakhnopal
Vice President
(Corporate Compliance) and
Company Secretary
Place : Delhi
Date : May 05, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from operations	24	8,400.04	7,209.41
II Other income	25	66.35	49.05
III Total Income (I + II)		8,466.39	7,258.46
IV Expenses			
Cost of materials consumed	26.1	4,027.68	3,687.39
Purchases of stock-in-trade	26.2	62.92	91.40
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26.3	(71.66)	(91.82)
Employee benefits expense	27	621.40	541.92
Finance costs	28	133.95	200.68
Depreciation and amortisation expense	29	453.08	388.61
Other expenses	30	1,626.37	1,525.58
Total Expenses (IV)		6,853.74	6,343.76
V Profit before tax from continuing operations (III - IV)		1,612.65	914.70
VI Tax expense related to continuing operations	31		
Current tax		357.99	104.26
Deferred tax			
MAT credit entitlement		(5.38)	(36.73)
Others		61.79	(68.73)
Total tax expense related to continuing operations		414.40	(1.20)
VII Profit for the year from continuing operations (V - VI)		1,198.25	915.90
VIII Profit before tax from discontinued operations	42	(2.73)	155.85
IX Tax expense of discontinued operations	31	(2.42)	52.66
X Profit for the year from discontinued operations (VIII - IX)		(0.31)	103.19
XI Total Profit for the year (VII + X)		1,197.94	1,019.09
XII Other comprehensive income			
A Items that will not be reclassified to profit or loss			
(i) - Remeasurements of the defined benefit plans	17.2, 36.2	2.68	(8.25)
Income tax on item (i) above	17.2, 32	(0.84)	2.86
B Items that will be reclassified to profit or loss			
(i) - Exchange differences on translation of foreign operations	17.9	36.44	(10.67)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (CONTD.)

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
(ii) - Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	17.3	132.33	(160.53)
Income tax on item (ii) above	32	(46.24)	57.58
(iii) - Cost of hedging reserve	17.4	3.46	-
Income tax on item (iii) above		(0.33)	-
Total other comprehensive income for the year, net of taxes (A(i) + B(i+ii+iii))		127.50	(119.01)
XIII Total comprehensive income for the year (XI + XII)		1,325.44	900.08
Basic and Diluted earning per equity share in ₹	39		
From continuing operations		205.59	159.34
From discontinued operations		(0.05)	17.95
From continuing and discontinued operations		205.54	177.29

Summary of significant accounting policies 1-3

See accompanying notes to the consolidated financial statements 4-46

As per our report attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W/W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place : Delhi
Date : May 21, 2021

For and on behalf of the Board of Directors

Ashish Bharat Ram
Managing Director
DIN - 00671567
Place : Delhi
Date : May 05, 2021

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557
Place : Delhi
Date : May 05, 2021

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram
Date : May 05, 2021

Rahul Jain
President & CFO
Place : Gurugram
Date : May 05, 2021

Rajat Lakhnarpal
Vice President
(Corporate Compliance) and
Company Secretary
Place : Delhi
Date : May 05, 2021

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax		
- Continuing Operations	1,612.65	914.70
- Discontinued Operations	(2.73)	155.85
Adjustments for:		
Finance costs	134.01	201.56
Interest income	(9.02)	(15.11)
Net (gain) / loss on sale of property, plant and equipment	(5.99)	(12.76)
Net gain on financial assets measured at fair value through profit and loss	(25.45)	(9.38)
Credit impaired assets provided / written off	11.94	2.18
Amortisation of grant income	(1.38)	(3.37)
Depreciation and amortisation expense	453.08	392.90
Property, plant and equipment and inventory discarded / provided	3.40	74.58
Provision / liabilities no longer required written back	(11.99)	(4.47)
Net unrealised currency exchange fluctuations loss / (gain)	(9.05)	7.15
Profit on sale of business	-	(233.74)
Employee share based payment expense	0.97	0.97
Stamp duty on purchase of investments	0.15	-
Adjustments for (increase) / decrease in operating assets :-		
Trade receivables	(400.10)	140.75
Inventories	(259.83)	5.26
Loans (current)	15.84	(19.38)
Loans (non-current)	(2.58)	(9.84)
Other assets (current)	20.93	132.80
Other assets (non-current)	(1.99)	10.10
Adjustments for increase / (decrease) in operating liabilities :-		
Trade payables	480.23	(272.01)
Provisions	7.46	(1.34)
Other liabilities (non-current)	-	(0.17)
Other liabilities (current)	16.44	(10.08)
Cash generated from operations	2,026.99	1,447.15
Income taxes paid (net of refunds)	(255.31)	(142.71)
Net cash generated from operating activities	1,771.68	1,304.44
B CASH FLOW FROM INVESTING ACTIVITIES		
Net Proceeds/ (purchases) of mutual funds	(188.57)	(88.63)
Stamp duty on purchase of investments	(0.15)	-
Purchase of current investments (others)	-	(4.05)
Proceeds from sale of business	-	315.77
Costs incurred on sale of business	-	(5.71)
Income tax paid on profit from sale of business	-	(40.84)
Interest received	0.09	15.56
Bank balances not considered as cash and cash equivalents	(134.52)	0.52
Payment for purchase of property, plant, equipment, capital work-in-progress and intangible assets	(1,214.35)	(1,389.16)
Proceeds from disposal of property, plant and equipment	9.66	16.21
Grant Received from Government of Republic of Hungary	28.16	-
Net cash used in investing activities	(1,499.68)	(1,180.33)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	750.00	-
Cost incurred on issue of shares	(11.99)	-
Proceeds from borrowings (Non-current)	1,304.84	1,277.92
Repayment of borrowings (Non-current)	(1,990.41)	(957.47)
Net proceeds / (repayment) from borrowings (Current)	14.78	(199.75)
Dividends on equity share capital paid	(140.78)	(80.32)
Corporate dividend tax paid	-	(16.54)
Payment towards lease liability	(20.19)	(18.87)
Finance costs paid	(157.36)	(203.96)
Net cash (used in) / generated from financing activities	(251.11)	(198.99)

CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
D EFFECT OF EXCHANGE RATE CHANGES	0.96	1.77
Net movement in cash and cash equivalents	21.85	(73.11)
Cash and cash equivalents at the beginning of the year	116.44	189.55
Cash and cash equivalents at the end of the year (Refer to note 14)	138.29	116.44

Notes:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) -7 on "Statement of Cash Flows"
- During the year, the Company paid in cash ₹ 10.18 crores (Previous year: ₹12.00 crores) towards corporate social responsibility (CSR) expenditure.
- For cash flow information of discontinued operations, Refer note 42.
- The following table discloses changes in liabilities arising from historical activities including both cash and non cash changes.

Particulars	As at March 31, 2020	Cash flow from financing activities	Upfront fees amortised	Exchange fluctuation changes [#]	Finance cost [#]	Interim dividend declared	Lease liability recognised	As at March 31, 2021
Equity share capital	58.50	1.76	-	-	-	-	-	60.26
Security Premium (net of issue expenses)	-	736.25	-	-	-	-	-	736.25
Non current borrowings*	3,091.38	(685.57)	4.34	15.11	-	-	-	2,425.26
Current borrowings	955.44	14.78	-	(4.52)	-	-	-	965.70
Interest accrued	29.14	(157.36)	-	-	134.01	-	-	5.79
Lease liability	87.70	(20.19)	-	-	6.49	-	3.63	77.63
Dividend and taxes thereon	6.04	(140.78)	-	-	-	141.31	-	6.57
Total	4,228.20	(251.11)	4.34	10.59	140.50	141.31	3.63	4,277.46

Particulars	As at March 31, 2019	Cash flow from financing activities	Upfront fees amortised	Exchange fluctuation changes [#]	Finance cost [#]	Interim dividend declared [^]	Lease liability recognised	As at March 31, 2020
Equity share capital	58.50	-	-	-	-	-	-	58.50
Non current borrowings*	2,602.80	320.45	3.42	164.71	-	-	-	3,091.38
Current borrowings	1,127.39	(199.75)	-	27.80	-	-	-	955.44
Interest accrued	31.54	(203.96)	-	-	201.56	-	-	29.14
Lease liability	-	(18.87)	-	-	6.70	-	99.87	87.70
Dividend and taxes thereon	5.89	(96.86)	-	-	-	97.01	-	6.04
Total	3,826.12	(198.99)	3.42	192.51	208.26	97.01	99.87	4,228.20

*including current maturity of long term debts

[^]Including taxes on dividend

[#]including amount capitalized

Summary of significant accounting policies

1 to 3

See accompanying notes to the consolidated financial statements

4 to 46

As per our report attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration no.

101248W/W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place : Delhi

Date : May 21, 2021

Ashish Bharat Ram

Managing Director

DIN - 00671567

Place : Delhi

Date : May 05, 2021

Kartik Bharat Ram

Deputy Managing Director

DIN - 00008557

Place : Delhi

Date : May 05, 2021

Bharti Gupta Ramola

Director

DIN - 00356188

Place : Gurugram

Date : May 05, 2021

Rahul Jain

President & CFO

Place : Gurugram

Date : May 05, 2021

Rajat Lakhnarpal

Vice President

(Corporate Compliance) and

Company Secretary

Place : Delhi

Date : May 05, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at March 31, 2019	58.50
Changes in equity share capital during the year	-
Balance at March 31, 2020	58.50
Changes in equity share capital during the year	1.76
Balance at March 31, 2021	60.26

(b) Other Equity

	Reserves and Surplus*							Items of other comprehensive income*			
	Capital reserve	General reserve	Capital redemption reserve	Debenture redemption reserve	Securities Premium	Employee share based payment reserve	Retained earnings	Foreign currency translation reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedge	Cost of hedging reserve
Balance at March 31, 2019	193.77	573.77	10.48	75.00	-	0.58	3,201.00	(4.00)	(4.22)	24.39	-
Profit for the year	-	-	-	-	-	-	1,019.09	-	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(5.39)	(10.67)	-	(102.95)	-
Total comprehensive income for the year	-	-	-	-	-	-	1,013.70	(10.67)	-	(102.95)	-
Payment of dividend (₹14 per share)	-	-	-	-	-	-	(80.47)	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	(16.54)	-	-	-	-
Transfer from Debenture redemption reserve	-	-	-	-	-	-	-	-	-	-	-
Employee share based payments to employees	-	-	-	-	-	0.98	-	-	-	-	-
Balance at March 31, 2020	193.77	573.77	10.48	75.00	-	1.56	4,117.69	(14.67)	(4.22)	(78.56)	-
Profit for the year	-	-	-	-	-	-	1,197.94	-	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	1.84	36.44	-	86.09	3.13
Total comprehensive income for the year	-	-	-	-	-	-	1,199.78	36.44	-	86.09	3.13
Payment of dividend (₹ 24 per share)	-	-	-	-	-	-	(141.31)	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-	-	-	-	-
Employee share based payments to employees	-	-	-	-	-	0.96	-	-	-	-	-
Transfer from Debenture redemption reserve	-	75.00	-	(75.00)	-	-	-	-	-	-	-
Transfer to Debenture redemption reserve	-	-	-	62.50	-	-	(62.50)	-	-	-	-
Premium on issue of equity shares (net of issue expenses)^	-	-	-	-	736.25	-	-	-	-	-	-
Balance at March 31, 2021	193.77	648.77	10.48	62.50	736.25	2.52	5,113.66	21.77	(4.22)	7.53	3.13

*Refer note 17

^Refer note 16.1

Summary of significant accounting policies 1 to 3

See accompanying notes to the consolidated financial statements 4 to 46

As per our report attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W/W-100022

For and on behalf of the Board of Directors

Kaushal Kishore
Partner
Membership No.: 090075
Place : Delhi
Date : May 21, 2021

Ashish Bharat Ram
Managing Director
DIN - 00671567
Place : Delhi
Date : May 05, 2021

Rahul Jain
President & CFO
Place : Gurugram
Date : May 05, 2021

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557
Place : Delhi
Date : May 05, 2021

Rajat Lakhanpal
Vice President
(Corporate Compliance) and
Company Secretary
Place : Delhi
Date : May 05, 2021

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram
Date : May 05, 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

1. Corporate Information

SRF Limited ("the Company") is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's equity shares are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 and 237, Second Floor, Mayur Vihar Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110091. The Company's parent company is KAMA Holdings Limited.

The principal activities of the Company and its subsidiaries (together the Group) are manufacturing, purchase and sale of technical textiles, chemicals, packaging films and other polymers.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 05, 2021.

2. Significant Accounting Policies

2.1 Basis of Preparation

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provisions of the Act.

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation
- Share based payments

The functional currency of the Company is 'INR'. The functional currencies of Group companies are USD, THB, ZAR and EURO. The financial statements are presented in INR and all values are rounded to the nearest crores, except when otherwise indicated.

The consolidated financial statements incorporate the financial statements of the holding group and its subsidiaries. Control is achieved when the group :

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the group gains control until the date when the group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Necessary adjustments are made in the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies if any.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The subsidiaries considered in the preparation of these consolidated financial statements are:

Name of subsidiary	Country of incorporation	Proportion of ownership as at March 31, 2021	Proportion of ownership as at March 31, 2020
Indian Subsidiaries			
SRF Holiday Home Limited	India	100%	100%
SRF Employees Welfare Trust (Controlled Trust)	India	*	*
Foreign Subsidiaries			
SRF Global BV	Netherlands	100%	100%
SRF Europe Kft (100% subsidiary of SRF Global BV)	Hungary	100%	100%
SRF Industries (Thailand) Limited (100% subsidiary of SRF Global BV)	Thailand	100%	100%
SRF Industex Belting (Pty) Limited (100% subsidiary of SRF Global BV)	Republic of South Africa	100%	100%
SRF Flexipak (South Africa) (Pty) Limited (100% subsidiary of SRF Global BV)	Republic of South Africa	100%	100%

*By virtue of management control

The group owns 22.60% (Previous year – 22.60%) in Malanpur Captive Power Limited and the same has not been considered for the purposes of consolidation, since the group does not exercise significant influence over Malanpur Captive Power Limited.

The group owns 26.32% (Previous year – 26.32%) in Vaayu Renewable Energy (Tapti) Private Limited and the same has not been considered for the purposes of consolidation, since the group does not exercise significant influence over Vaayu Renewable Energy (Tapti) Private Limited.

The principal accounting policies are set out below.

2.2 Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

their realisation in cash and cash equivalents, the group has identified twelve months as its operating cycle for the purpose of current / non current classification of assets and liabilities.

2.3 Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

All items of property plant and equipment have been measured at fair value at the date of transition to Ind AS. The Group have opted such fair valuation as deemed cost at the transition date i.e. April 1, 2015.

Cost of acquisition or construction is inclusive of freight, duties, non recoverable taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets, upto the date of commissioning of the assets

Likewise, when a major inspection for faults is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items of property, plant and equipment and depreciated accordingly.

Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Capital Work in Progress: Project under which assets are not yet ready for their intended use

are carried at cost comprising direct cost, related incidental expenses and attributable interest.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the group intends to use these for more than a period of 12 months.

2.4 Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation has been provided on the cost of assets less their residual values on straight line method on the basis of estimated useful life of assets determined by the Group which are different from the useful life as prescribed in Schedule II of the 2013 Act. The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. and are as under:

Roads	40-50 years
Buildings (including temporary structures)	5-60 years
Plant and equipment	2-40 years
Furniture and fixtures	3-20 years
Office equipment	3-20 years
Vehicles	4-5 years

Freehold land is not depreciated.

Depreciation is calculated on a pro rata basis except, assets costing upto ₹ 5,000 each, which are fully depreciated in the year of purchase.

An item of property, plant and equipment or any significant part initially recognised of such item 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 derecognition of the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives considered are as follows:

Trademarks / Brand	10-30 years
Technical Knowhow	30-40 years
Software	3 years
Other intangibles	2.5-8 years

The group has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful

life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised on disposal or when no future economic benefit are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.6 Research and development expenditure

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes.

Such development costs are capitalised if they can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

2.7 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.8 Impairment of tangible and intangible assets other than goodwill

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an 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 groups of assets.

Impairment loss is recognised when the carrying amount of an asset or CGU exceeds its recoverable amount. In such cases, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast, which are prepared separately for each of the group's CGU's to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 5 years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after 5th year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

2.9 Leasing

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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 assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision- making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Group as lessee

The Group accounts for assets taken under lease arrangement in the following manner:

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the basis of remaining lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Group's estimate of the amount expected to be payable

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term.

2.10 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs incurred for the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

In case of a specific borrowing taken for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised shall be the actual borrowing costs incurred during the period less any interest income earned on temporary investment of

specific borrowing pending expenditure on qualifying asset.

In case funds are borrowed generally and such funds are used for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised are calculated by applying the weighted average capitalisation rate on general borrowings outstanding during the period, to the expenditures incurred on the qualifying asset.

If any specific borrowing remains outstanding after the related asset is ready for its intended use, that borrowing is considered part of the funds that are borrowed generally for calculating the capitalisation rate.

2.11 Foreign Currencies

Transaction and balances

Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

- (i) Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to exchange differences arising from cash flow hedges to the extent that the hedges are effective and those covered below.
- (ii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance useful life of the assets.

- (iii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is treated in accordance with Ind AS 21/ Ind AS 109. Refer point (i) above.

2.12 Inventories

Inventories are valued at cost or net realisable value, whichever is lower. The basis of determining the cost for various categories of inventory are as follows:

- Raw materials, packing material and stores and spares including fuel - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.
- Traded goods, Stock in progress and finished goods- Direct cost plus appropriate share of overheads.
- By products - At estimated realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Provisions, contingent liabilities and contingent assets

Provisions

The group recognised a provision when there is a present obligation (legal or constructive)

as a result of past events and it is more likely than not that an outflow of resources would be required to settle the obligation and a reliable estimate can be made.

When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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 recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

Contingent assets

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an

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inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.14 Revenue recognition

a) Sale of goods

Revenue from sale of products is recognised upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers. Service income is recognised as and when the underlying services are performed. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as sales tax/value added tax and goods and services tax and applicable discounts and allowances.

Any fees including upfront fees received in relation to contract manufacturing arrangements is recognised on straight line basis over the period over which the Group satisfies the underlying performance obligations. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash as per contractual terms. Advance from customers ("contract liability") is recognised when the group has received consideration from the customer before it delivers the goods.

b) Interest and dividend income

Interest income is recognised when it is probable that the economic benefits will flow to the group using the effective interest rate and the amount of income can

be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably).

c) Export incentive

The benefit accrued under the Duty Drawback scheme and other schemes as per the Export and Import Policy in respect of exports made under the said Schemes is included under the head "Revenue from Operations" under 'Export and other incentives'. Also refer policy on "Government Grants"

2.15 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

a) Current tax

Current 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, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss account i.e. in Other comprehensive income or equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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b) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the group has a legally enforceable right for such set off.

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 are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax relating to items recognised outside profit or loss is recognised in other comprehensive income or in equity.

Deferred tax assets/liabilities are not recognised for below mentioned temporary differences:

- (i) At the time of initial recognition of goodwill;
- (ii) Initial recognition of assets or liabilities (other than in a business combination) at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- (iii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the group will pay normal income tax. Accordingly, MAT asset is recognised in the consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the group.

The group considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the group concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the group determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. However, if the group concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the group reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

2.16 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

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A government grant that becomes receivable as compensation for expenses or losses incurred in a previous period. Such a grant is recognised in profit or loss of the period in which it becomes receivable.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the group recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants related to assets are presented in the consolidated balance sheet as deferred income and is recognised in profit or loss on a systematic basis over the expected useful life of the related assets.

2.17 Employee benefits

Short term employee benefits

Wages and salaries including non monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the related services are rendered are measured at the undiscounted amount expected to be paid

Defined contribution plans

Provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund, National pension scheme and Employee's State Insurance Corporation are defined contribution schemes. Contributions to such schemes are charged to the statement of profit and loss in the year when employees have rendered services entitling them to the contributions. The group has no obligation, other than the contribution payable to such schemes.

Defined benefit plans

The group has defined benefit plan such as gratuity, provident fund for certain category of employees administered through a recognised provident fund trust and legal severance plans.

Provision for gratuity, provident fund for certain category of employees administered through a recognised provident fund trust and legal severance plans are determined on an actuarial basis at the end of the year and charged to consolidated statement of profit and loss, other than remeasurements. The cost of providing these benefits is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability and return on plan assets), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to consolidated statement of profit and loss in subsequent periods.

Other long term employee benefits

The group also has other long term benefits plan such as compensated absences and retention pay. Provision for compensated absences and long term retention pay are determined on an actuarial basis at the end of the year and charged to consolidated Statement of Profit and Loss. The cost of providing these benefits is determined using the projected unit credit method.

Share based payments

Equity settled share based payments to employees under SRF Long Term Share Based Incentive Plan (SRF LTIP) are measured at the fair value (which is the market price less exercise price) of the equity instruments on the grant date. This compensation cost relating to employee stock purchase scheme is amortised over the remaining tenure over which the employees renders their service on a straight line basis.

2.18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable

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to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.20 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.

A) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the group are classified in three categories:

- At amortised cost
- At fair value through profit and loss (FVTPL)
- At fair value through other comprehensive income (FVTOCI)

Financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets not classified as measured at amortised cost or FVOCI as are measured at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income.

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The group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the group has transferred substantially all the risks and rewards of the asset, or (ii) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred

asset to the extent of the group's continuing involvement. In that case, the group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained. Any gain or loss on derecognition is recognised in profit or loss.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

When the group has retained substantially all the risks and rewards of ownership of the transferred asset, the group continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received.

Impairment of financial assets

The group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

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B Financial liabilities and Equity instruments

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

The group's financial liabilities include borrowings and trade and other payables including derivative financial instruments.

Subsequent measurement

Borrowings

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction cost) and the redemption/repayment amount is recognised in profit and loss over the period of the borrowings using the Effective interest rate method.

Trade and other payables

Trade and other payables represent the liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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, to realise the assets and settle the liabilities simultaneously.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Equity Instruments

Equity Instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Debt or equity instruments issued by the group are classified as either financial liability or as equity in accordance with the substance of contractual arrangements and the definitions of a financial liabilities and an equity instruments.

2.21 Derivative and Non Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The group uses derivative financial instruments (such as forward currency contracts, interest rate swaps and full currency swaps) or non derivative financial assets/liabilities to hedge its foreign currency risks and interest rate risks. The group has opted for "Hedge Accounting" for all its derivative as well as non-derivative financial instrument used for hedging. Accordingly, at the inception of the hedge the group formally designates a hedge relationship between the 'hedging instrument' and 'hedged item' which determines the initial recognition of the financial instrument as Fair Value Hedge or Cashflow hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. These financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair

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value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit and loss when the hedge item affects profit and loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the consolidated statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability

with a corresponding gain or loss recognised in consolidated profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the consolidated statement of profit and loss. In some cases, the group separates the premium element and the spot element of a forward contract and designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. In such cases, the changes in the fair value of the premium element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as 'cost of hedging'. The changes in the fair value of such premium element or foreign currency basis spread are reclassified to profit or loss as a reclassification adjustment on a straight-line basis over the period of the forward contract or the financial instrument.

The Group also designates certain non derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for the hedge of foreign currency risk associated with highly probable transactions and, accordingly, applies cash flow hedge accounting for such relationships.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial

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expense is recognised or when a forecast transaction occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, the hedge accounting will be discontinued prospectively. Any cumulative gain or loss previously recognised in other comprehensive income remains separately in other equity if the forecast transaction or the foreign currency firm commitment is expected to occur else the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

2.22 Fair value measurement

The group measures some of its financial instruments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or

by selling it to another market participant that would use the asset in its highest and best use. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1– Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2– inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3- inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.23 Foreign Currency translation reserve

On consolidation, the assets and liabilities of foreign operations are translated into Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are

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translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

2.24 Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

2.25 Dividend

The group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.26 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a

sale transaction rather than through continuing use. The appropriate level of management must be committed to a plan to sell, an active programme to locate a buyer and complete the plan has been initiated, the sale is considered highly probable and is expected within one year from the date of classification.

Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other assets and liabilities in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit and loss.

2.27 Recent Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards.

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements

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are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law

3. Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes.

- Classification and lease term determination of leasing arrangement – Note 2.9
- Derecognition of trade receivables and hedge effectiveness- Note 2.20
- Fair value measurement of derivative instruments – Note 2.22
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.4
- Recognition and estimation of tax expense including determination of applicable tax rate for measuring deferred tax balances– Note 2.15
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 2.17
- Assessment of impairment of financial assets and non-financial assets – Note 2.20 and Note 2.8
- Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 2.13

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4. Property, Plant and Equipment

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Cost								
Balance at March 31,2019	357.91	63.99	844.67	5,271.30	27.27	58.21	39.94	6,663.29
Additions/adjustments	26.16	11.68	44.50	910.77	2.70	8.90	9.35	1,014.06
Disposals/adjustments	(1.32)	(0.99)	(48.37)	(93.83)	(0.83)	(2.62)	(7.62)	(155.58)
Effect of foreign currency exchange differences	0.19	(0.46)	(4.52)	(6.14)	(0.13)	(0.19)	0.03	(11.22)
Balance at March 31,2020	382.94	74.22	836.28	6,082.10	29.01	64.30	41.70	7,510.55
Additions/adjustments	0.99	23.36	367.86	1,458.06	4.35	10.58	6.59	1,871.79
Disposals/adjustments	-	(0.45)	(6.29)	(24.63)	(0.32)	(2.44)	(3.99)	(38.12)
Effect of foreign currency exchange differences	3.37	1.13	15.79	51.63	0.34	0.70	0.01	72.97
Balance at March 31,2021	387.30	98.26	1,213.64	7,567.16	33.38	73.14	44.31	9,417.19
Accumulated depreciation								
Balance at March 31,2019	-	5.86	92.28	1,013.23	9.04	28.64	17.79	1,166.84
Depreciation expenses								
- Continuing operations	-	2.26	23.23	320.83	2.27	8.09	7.71	364.39
- Discontinued operations	-	-	1.70	1.90	0.01	0.62	0.04	4.27
Disposals/adjustments	-	(0.36)	(14.49)	(24.46)	(0.19)	(2.07)	(4.75)	(46.32)
Effect of foreign currency exchange differences	-	(0.02)	(0.20)	(1.23)	(0.00)	(0.13)	0.02	(1.56)
Balance at March 31,2020	-	7.74	102.52	1,310.27	11.13	35.15	20.81	1,487.62
Depreciation expenses	-							
- Continuing operations	-	2.14	29.68	377.63	2.42	7.55	7.36	426.78
- Discontinued operations	-	-	-	-	-	-	-	-
Disposals/adjustments	-	-	(0.03)	(2.70)	(0.14)	(1.25)	(2.76)	(6.88)
Effect of foreign currency exchange differences	-	0.11	1.78	10.05	0.13	0.21	0.18	12.46
Balance at March 31,2021	-	9.99	133.95	1,695.25	13.54	41.66	25.59	1,919.98
Net block								
Balance at March 31,2020	382.94	66.48	733.75	4,771.84	17.88	29.15	20.89	6,022.93
Balance at March 31, 2021	387.30	88.27	1,079.69	5,871.91	19.84	31.48	18.72	7,497.21

Notes:

- Borrowing cost capitalised during the year ₹ 13.07 crores (Previous year: ₹ 24.30 Crores) with a capitalisation rate ranging from 0.5% to 8.09% (Previous year: 0.55% to 9.45%).
- Out of the Industrial Freehold land measuring 32.41 acres at the group's plant in Gummidipoondi, the group does not have clear title to 2.43 acres.
- Capital expenditure incurred during the year includes ₹ 13.46 crores (Previous year - ₹ 33.09 crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 46 (a) below.
- Refer to note 18.1 for information on PPE pledged as security by the group. Additionally, non funded working capital facilities from banks amounting to ₹ 58.50 crores (previous year : Nil) are secured by hypothecation of CPP and HFC134A plant situated at Dahej in state of Gujarat.
- Refer to note 46 (c) for additions/adjustments on account of exchange difference during the year.
- The group accounts for all capitalizations of property, plant and equipment through capital work in progress, and, therefore, the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted in additions to property, plant and equipment and intangible assets.
- Disposals/adjustments during the previous year includes property plant and equipment of discontinued operations. Refer note 42 below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

5. Goodwill

Cost		Amount
Balance at March 31, 2019		4.91
Additions		-
Disposals		(0.79)
Balance at March 31, 2020		4.12
Additions		-
Disposals		-
Balance at March 31, 2021		4.12
Accumulated impairment losses		Amount
Balance at March 31, 2019		0.83
Additions		2.67
Balance at March 31, 2020		3.50
Additions		-
Balance at March 31, 2021		3.50
Carrying Amount	As at March 31, 2021	As at March 31, 2020
Industrial yarn unit	0.62	0.62
	0.62	0.62

The group has allocated goodwill to the above mentioned cash generating units(CGU) and determined recoverable amount of this allocated goodwill using cash flow projections based on financial budget as approved by the directors of the Company.

SRF Industries(Thailand) Limited closed its Technical Textiles Business operations located at Rayong, Thailand, thus corresponding goodwill of ₹ 2.67 crores has been written off in the statement of consolidated profit and loss in the previous financial year. (Also refer note 42)

6. Other Intangible Assets

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at March 31, 2019	77.20	45.67	26.71	19.30	168.88
Additions / adjustments	0.33	10.51	4.39	0.09	15.32
Disposals / adjustments	-	(0.99)	(0.35)	-	(1.34)
Balance at March 31, 2020	77.53	55.19	30.75	19.39	182.86
Additions / adjustments	-	-	4.19	-	4.19
Disposals / adjustments	-	-	-	-	-
Balance at March 31, 2021	77.53	55.19	34.94	19.39	187.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Accumulated amortisation					
Balance at March 31, 2019	14.15	5.23	22.24	18.40	60.02
Amortisation expenses					
- Continuing operations	2.61	1.71	3.06	0.10	7.48
- Discontinued operations	-	-	0.02	-	0.02
Disposals / adjustments	-	(0.99)	(0.13)	-	(1.12)
Balance at March 31, 2020	16.76	5.95	25.19	18.50	66.40
Amortisation expenses					
- Continuing operations	2.45	1.70	4.04	0.05	8.24
- Discontinued operations	-	-	-	-	-
Effects of foreign currency exchange differences	-	-	0.04	-	0.04
Balance at March 31, 2021	19.21	7.65	29.27	18.55	74.68
Carrying Amount					
Balance at March 31, 2020	60.77	49.24	5.56	0.89	116.46
Balance at March 31, 2021	58.32	47.54	5.67	0.84	112.37

Notes:

- Refer note 46 (c) for additions/adjustments on account of exchange difference during the previous year.
- Disposals/adjustments during the previous year pertains to intangible assets of discontinued operations. Refer note 42 below.

7. Investments

	As at March 31, 2021	As at March 31, 2020
Non-current		
Investment in equity instruments	4.16	4.16
	4.16	4.16
Aggregate book value of unquoted investments	4.16	4.16
Aggregate amount of impairment in value of investments	4.34	4.34
Current		
Investment in mutual funds	197.16	198.50
Investment in bonds/Debentures	215.36	-
	412.52	198.50
Aggregate book value and market value of quoted investments	215.36	-
Aggregate book value and market value of unquoted investments	197.16	198.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

7.1 Investment in equity instruments (at fair value through other comprehensive income)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	42,21,535	4.22	42,21,535	4.22
Less: impairment in value of investments		(4.22)		(4.22)
Equity Share of ₹ 10 each fully paid of Vaayu Renewable Energy (Tapti) Private Limited	50,000	0.05	50,000	0.05
Equity Shares of ₹ 10 each fully paid of Suryadev Alloys & Power Private Limited	13,54,000	4.11	13,54,000	4.11
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	6,70,000	0.12	6,70,000	0.12
Less: impairment in value of investments	-	(0.12)	-	(0.12)
		4.16		4.16

7.2 Investment in mutual funds (at fair value through profit and loss)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Unquoted investments (Current)				
ICICI Prudential P1543 Saving Fund-Growth Plan	36,12,365	117.16	36,12,365	108.44
ICICI Prudential P3223 Overnight Fund-Growth Plan	-	-	27,93,962	30.06
UTI Overnight Fund - Regular Growth Plan	-	-	2,21,205	60.00
Axis Overnight Fund- Regular Growth Plan	2,76,009	30.00	-	-
SBI Liquid Fund L72SG Regular Growth Plan	1,56,109	50.00	-	-
		197.16		198.50

7.3 Investment in Bonds/Debentures (at fair value through profit and loss)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Quoted investments (Current)				
Debentures				
Non convertible debentures of Shriram Transport Finance Company Limited 2021 of ₹ 10,00,000 each	250.00	32.11	-	-
7.35% non convertible debentures of NIIF Infrastructure Finance Limited of ₹ 10,00,000 each	250.00	25.43	-	-
Non convertible debentures of Tata Capital Financial Services Limited of ₹ 10,00,000 each	30.00	3.56	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Bonds				
8.85% HDFC Bank Limited Perpetual Bonds 2022 of ₹ 10,00,000 each	500.00	51.00	-	-
8.99% Bank of Baroda Perpetual Bonds 2024 of ₹ 10,00,000 each	500.00	51.02	-	-
9.56% State Bank of India Perpetual Bonds 2023 of ₹ 10,00,000 each	500.00	52.24	-	-
		215.36		-

8. Loans

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Loans to employees	10.56	9.96
Security deposits		
Related parties (Refer note 35)	3.54	3.54
Other than related parties	32.34	30.37
	46.44	43.87
Current		
Loans to employees	7.69	6.88
Security deposits		
Other than related parties	3.52	18.29
Others		
Credit impaired	2.74	2.74
Less : Provision for credit impaired loans	(2.74)	(2.74)
	11.21	25.17

9. Deferred Tax (NET)

The following is the analysis of deferred tax assets (liabilities) presented in balance sheet.

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	331.70	469.92
Deferred tax liabilities	(699.72)	(631.16)
Deferred tax liabilities, net	(368.02)	(161.24)
Net Deferred tax assets after set off	18.14	14.26
Net Deferred tax liabilities after set off	386.16	175.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The major components of deferred tax assets/(liabilities) arising on account of temporary differences are as follows:

2020-21	Opening balance	Recognised in statement of profit and loss		MAT Credit Entitlement utilised	Recognised in other comprehensive income	Foreign currency translation reserve for the year	Closing Balance
		Continuing operations	Discontinued operations				
Deferred tax assets							
Expenses deductible in future years	27.70	(6.01)	-	-	-	1.80	23.49
Provision for credit impaired loans / receivables	0.90	0.37	-	-	-	(0.01)	1.26
MAT Credit Entitlement	367.07	5.38	-	(97.79)	-	-	274.66
Cash flow hedges	42.29	-	-	-	(42.29)	-	-
Unabsorbed carried forward losses	22.98	(1.91)	2.42	-	-	0.46	23.95
Others	8.98	(1.40)	-	-	-	0.76	8.34
	469.92	(3.57)	2.42	(97.79)	(42.29)	3.01	331.70
Deferred tax liabilities							
Property plant and equipment and intangible assets	(617.02)	(54.82)	-	-	-	(11.44)	(683.28)
Investment in mutual funds	(7.95)	(2.90)	-	-	-	-	(10.85)
Cash flow hedges	-	-	-	-	(4.28)	-	(4.28)
Others	(6.19)	4.88	-	-	-	-	(1.31)
	(631.16)	(52.84)	-	-	(4.28)	(11.44)	(699.72)
Total	(161.24)	(56.41)	2.42	(97.79)	(46.57)	(8.43)	(368.02)

2019-20	Opening balance	Recognised in statement of profit and loss		MAT Credit Entitlement utilised	Recognised in other comprehensive income	Foreign currency translation reserve for the year	Closing Balance
		Continuing operations	Discontinued operations				
Deferred tax assets							
Expenses deductible in future years	30.49	(1.07)	-	-	-	(1.72)	27.70
Provision for credit impaired loans / receivables	0.80	0.10	-	-	-	-	0.90
MAT Credit Entitlement	330.34	36.73	-	-	-	-	367.07
Cash flow hedges	-	-	-	-	42.29	-	42.29
Unabsorbed carried forward losses	10.62	3.98	8.57	-	-	(0.19)	22.98
Others	8.22	(1.54)	-	-	2.86	(0.56)	8.98
	380.47	38.20	8.57	-	45.15	(2.47)	469.92

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

2019-20	Opening balance	Recognised in statement of profit and loss		MAT Credit Entitlement utilised	Recognised in other comprehensive income	Foreign currency translation reserve for the year	Closing Balance
		Continuing operations	Discontinued operations				
Deferred tax liabilities							
Property plant and equipment and intangible assets	(697.77)	72.01	-	-	-	8.74	(617.02)
Investment in mutual funds	(8.24)	0.29	-	-	-	-	(7.95)
Cash flow hedges	(15.29)	-	-	-	15.29	-	-
Others	(1.15)	(5.04)	-	-	-	-	(6.19)
	(722.45)	67.26	-	-	15.29	8.74	(631.16)
Total	(341.98)	105.46	8.57	-	60.44	6.27	(161.24)

Notes:

- At March 31, 2021, there was no recognised deferred tax liability (Previous year : Nil) for taxes that would be payable on the unremitted earnings of certain of the Company's subsidiaries. The Company has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.
- Section 115BAA of the Income Tax Act, 1961 was introduced by the Taxation Laws (Amendment) Ordinance, 2019. During the previous year, based on the estimate of expected timing of exercising of the option under Section 115BAA, the Company had re-measured its deferred tax balances. Consequently, tax credit of ₹ 136.11 Crores (net of MAT adjustment of ₹ 74.02 crores) was recorded in the Statement of Profit and Loss during the year ended March 31, 2020.
- MAT credit entitlement of ₹ 74.02 Crores (out of total ₹ 87.85 Crores generated during the previous year) expiring in the financial year ending March 31, 2035 is not recognised in the statement of profit and loss of the previous year, due to expected timing of exercising of the option under section 115BAA of Income Tax Act, 1961.
- As on March 31, 2019 there were capital losses of ₹ 186.32 Crores expiring in the financial year ending March 31, 2023 on which no deferred tax asset was created, due to lack of probability of future capital gains against which such deferred tax assets can be realised. Pursuant to recognition of long term capital gain in the previous year, such capital losses were set off in previous year. Also refer Note 42 (A).

10. Other Financial Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Derivatives carried at fair value through Other comprehensive income		
- Forward exchange contracts used for hedging	28.84	-
Other financial assets carried at amortised cost		
- Government grant and claims recoverable	15.85	15.86
	44.69	15.86
Current		
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	4.39	0.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Derivatives carried at fair value through Other comprehensive income		
- Forward exchange contracts used for hedging	56.70	-
- Interest rate swaps used for hedging	1.01	-
Other financial assets carried at amortised cost		
- Insurance claim recoverable	0.33	5.79
- Government grant and claims recoverable	154.11	163.84
- Others	9.31	0.67
	225.85	170.38

11. Other Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Capital advances	229.30	83.70
Prepaid expenses	0.25	0.26
Cenvat/Service tax/Goods and Services Tax/ sales tax recoverable	14.43	12.32
Claims recoverable under Post EPCG scheme and others	0.12	0.22
Total other non-current assets	244.10	96.50
Current		
Prepaid expenses	11.97	10.24
Cenvat/Service tax/ Goods and Services Tax/ sales tax recoverable	103.02	136.42
Export incentives recoverable	32.76	63.67
Deposits with customs and excise authorities	17.58	8.29
Advance to suppliers	99.61	61.30
Others	2.02	0.88
Total other current assets	266.96	280.80

12. Inventories

(Valued at lower of cost and net realisable value)

	As at March 31, 2021	As at March 31, 2020
Raw material (including packing material)	683.36	512.59
Stock in progress	176.47	156.45
Finished goods	338.59	281.24
Stores and spares (including fuel)	263.08	243.93
Traded goods	4.32	7.02
	1,465.82	1,201.23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Goods-in-transit included above :		
Raw material (including packing material)	241.43	183.33
Finished goods	100.47	35.83
Stores and spares (including fuel)	1.06	2.59
Traded goods	0.33	2.02
	343.29	223.77

Notes

- The cost of inventories recognised as an expense includes ₹ 11.22 crores. (Previous year : ₹ 10.56 Crores) in respect of write-downs of inventory to net realisable value.
- Refer Note 18.1 for information on inventories pledged as security by the group.
- The method of valuation of inventory has been stated in note 2.12

13. Trade Receivables

	As at March 31, 2021	As at March 31, 2020
Current		
Unsecured, considered good	1,274.56	891.07
Unsecured, credit impaired	5.03	3.61
Less: Provision for credit impaired receivables	(5.03)	(3.61)
	1,274.56	891.07

- The credit period generally allowed on sales varies, on a case to case basis, business to business and based on market conditions. Maximum credit period allowed is upto 120 days
- Age of receivables :

	As at March 31, 2021	As at March 31, 2020
Within the credit period	1,131.74	691.32
1 to 180 days past due	141.25	187.54
More than 180 days past due	6.60	15.82
	1,279.59	894.68

- The group has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the group in the receivables as identified. Receivables sold as on March 31, 2021 are of ₹ 369.12 crores (Previous year: ₹ 502.55 Crores). The group has derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the group.
- The group sold, with recourse, trade receivables amounting to ₹ 47.15 Crores (Previous Year: Nil) to a bank for cash proceeds. These trade receivables have not been derecognised because the group retains substantially all of the risks and rewards, primarily credit risk. The amounts received on such transfer have been recognised as a secured bank loan (Refer note 18)
- There is no customer who represents more than 10% (Previous year - Nil) of the total balances of trade receivables.
- Refer Note 18.1 for information on trade receivables pledged as security by the group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

14. Cash and Cash Equivalents

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Current accounts	124.57	102.87
Exchange Earners Foreign Currency (EEFC) accounts	12.83	9.54
Deposit accounts with maturity of three months or less	0.09	2.91
Cash on hand	0.80	1.12
	138.29	116.44

The disclosures regarding details of specified bank notes held and transacted during the period November 8, 2016 to December 30, 2016 have not been made since the requirement does not pertain to financial Year ended March 31, 2021.

15. Bank Balances Other than Above

	As at March 31, 2021	As at March 31, 2020
Earmarked balances		
- Margin money	1.95	2.89
- Unclaimed dividend accounts	6.57	6.04
Other deposit accounts		
- Deposit accounts with maturity beyond three months upto twelve months	135.19	0.10
	143.71	9.03

16. Share Capital

	As at March 31, 2021	As at March 31, 2020
Authorised share capital:		
120,000,000 (Previous Year - 120,000,000) Equity shares of ₹ 10 each	120.00	120.00
1,000,000 (Previous Year - 1,000,000) Preference shares of ₹ 100 each	10.00	10.00
1,200,000 (Previous Year - 1,200,000) Cumulative Preferences shares of ₹ 50 each	6.00	6.00
20,000,000 (Previous Year - 20,000,000) Cumulative Preferences shares of ₹ 100 each	200.00	200.00
	336.00	336.00
Issued capital:		
63,301,960 (Previous Year - 61,537,255) Equity Shares of ₹ 10 each	63.30	61.54
Subscribed capital:		
59,245,205 (Previous Year - 57,480,500) Equity Shares of ₹ 10 each fully paid up	59.24	57.48
Add: Forfeited shares - Amount originally paid up	1.02	1.02
	60.26	58.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

16.1 Fully paid equity shares

	Number of shares	Amount
Balance at March 31, 2019	5,74,80,500	57.48
Add : Movement during the year	-	-
Balance at March 31, 2020	5,74,80,500	57.48
Add : Movement during the year*	17,64,705	1.76
Balance at March 31, 2021	5,92,45,205	59.24

There are no bonus issue or buy back of equity shares during the period of five years immediately preceding the reporting date.

*During the year ended March 31, 2021 the Company has issued 17,64,705 fully paid up equity shares equivalent to 3.07% of the existing paid up equity capital of the Company to Qualified Institutional Buyers in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. These shares were issued at an issue price of ₹ 4,250 per share (including securities premium of ₹ 4,240 per share) for an aggregate consideration of ₹ 750 Crores. The proceeds (net of share issue expenses of ₹ 11.99 Crores charged off against securities premium) have been utilised for repayment of borrowings.

Terms/ rights attached to equity shares :

The parent has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board may from time to time pay to the members, such interim dividends as appear to it to be justified by the profits of the group.

During the Year ended March 31, 2021, the amount of interim dividend recognised as distributions to equity shareholders was ₹ 24 per share (Previous year : ₹ 14 per share).

In the event of liquidation of the Company, the holders of 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.

16.2 Details of shares held by the holding company

	Number of fully paid ordinary shares
As at March 31, 2021	
KAMA Holdings Limited, the Holding group	3,00,49,000
As at March 31, 2020	
KAMA Holdings Limited, the Holding group	3,00,49,000

16.3 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid equity shares				
Kama Holdings Limited	3,00,49,000	50.72%	3,00,49,000	52.28%
Amansa Holding Private Limited	33,73,411	5.69%	41,78,636	7.27%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

17. Other Equity

	As at March 31, 2021	As at March 31, 2020
General reserve	648.77	573.77
Retained earnings	5,113.66	4,117.69
Cash flow hedging reserve	7.53	(78.56)
Cost of hedging reserve	3.13	-
Capital redemption reserve	10.48	10.48
Capital reserve	193.77	193.77
Debenture redemption reserve	62.50	75.00
Foreign currency translation reserve	21.77	(14.67)
Reserve for equity instruments through other comprehensive income	(4.22)	(4.22)
Employee share based payment reserve	2.52	1.56
Securities premium	736.25	-
	6,796.16	4,874.82

17.1 General reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	573.77	573.77
Increase/(decrease) during the year	75.00	-
Balance at end of year	648.77	573.77

The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. Items included in general reserve will not be reclassified subsequently to profit and loss.

17.2 Retained earnings

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	4,117.69	3,201.00
Profit for the year	1,197.94	1,019.09
Other comprehensive income arising from measurement of defined benefit obligation* (Refer note 36.2 (iv))	1.84	(5.39)
Payments of dividend on equity shares	(141.31)	(80.47)
Corporate tax on dividend	-	(16.54)
Transfer to debenture redemption reserve	(62.50)	-
Balance at end of year	5,113.66	4,117.69

The amount that can be distributed as dividend by the parent to its equity shareholders is determined based on the separate financial statements of the parent company and also considering the requirements of the Companies Act, 2013.

*net of income tax of ₹ (0.84) crores. (Previous year : ₹ 2.86 crores)

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17.3 Cash flow hedging reserve

(Refer note 40.3.1 (C))

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	(78.56)	24.39
Recognized/(reclassified) during the year	132.33	(160.53)
Income tax related to above	(46.24)	57.58
Balance at end of year	7.53	(78.56)

The Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

17.4 Cost of hedging reserve

(Refer note 40.3.1 (C))

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	-	-
Recognized/(reclassified) during the year	3.46	-
Income tax related to above	(0.33)	-
Balance at end of year	3.13	-

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in other comprehensive income and accounted for similarly to gains or losses in the cash flow hedging reserve.

17.5 Capital redemption reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	10.48	10.48
Increase/(decrease) during the year	-	-
Balance at end of year	10.48	10.48

Capital Redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. The reserve is utilised in accordance with the provision of the Act.

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17.6 Capital reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	193.77	193.77
Increase/(decrease) during the year	-	-
Balance at end of year	193.77	193.77

Capital reserve represents amounts received pursuant to Montreal Protocol Phase-out Programme of refrigerant gases.

17.7 Debenture redemption reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	75.00	75.00
Increase/(decrease) during the year	(75.00)	-
Transfer from retained earnings	62.50	-
Balance at end of year	62.50	75.00

The Company has issued non-convertible debentures. The company has created debenture redemption reserve out of the profits of the company available for payment of dividend.

17.8 Reserve for equity instruments through other comprehensive income

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	(4.22)	(4.22)
Increase/(decrease) during the year	-	-
Balance at end of year	(4.22)	(4.22)

This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.

17.9 Foreign currency translation reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	(14.67)	(4.00)
Exchange differences arising on translation of foreign operations	36.44	(10.67)
Balance at end of year	21.77	(14.67)

Exchange differences relating to translation of the results and net assets of the group's foreign operations from their functional currency in to group presentation currency (i.e. ₹) are recognized in Other Comprehensive Income and accumulated in foreign currency translation reserve. Exchange differences previously accumulated in foreign currency translation reserve in respect of foreign operations are reclassified to statement of profit and loss on disposal of foreign operation.

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17.10 Employee share based payment reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	1.56	0.58
Increase/(decrease) during the year	0.96	0.98
Balance at end of year	2.52	1.56

The group has allotted equity shares to certain employees under an employee share purchase scheme. The share based payment reserve is used to recognise the value of equity-settled share based payments provided to the such employees as part of their remuneration. Refer note 37 for further details of the scheme.

17.11 Securities premium

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	-	-
Increase/(decrease) during the year	736.25	-
Balance at end of year	736.25	-

Securities premium represents the amount received in excess of the face value upon issue of equity shares. The same may be inter-alia utilised, for issue of fully paid bonus shares or for buy-back of equity shares by the Company, in accordance with the provisions of the Act. Expenses amounting to ₹ 11.99 Crores incurred on issue of equity shares under Qualified Institutional Placement have been charged off against securities premium. (Refer note 16.1)

18. Borrowings

	As at March 31, 2021	As at March 31, 2020
Non-current		
Secured		
2,500 Nos., Three Months T Bill plus 188 bps (2020: 3000 Nos. 7.33%), listed, secured redeemable non-convertible debentures of ₹ 10 lakhs each* (Refer note 18.1.1 and 18.1.2)	250.00	299.97
Term Loans from banks* (Refer note 18.1.3)	1,978.95	1,890.89
Term Loans from others*(Refer note 18.1.4)	196.31	281.59
Less: Current maturities of long term borrowings *(Refer note 21)	(460.25)	(779.75)
	1,965.01	1,692.70
Unsecured		
Term Loans from Banks*	-	618.93
	-	618.93
	1,965.01	2,311.63
Current		
Secured		
Cash credits from banks (Refer note 18.1.5.(iii))	0.44	10.00
Loans repayable on demand from banks (Refer note 18.1.4.(i) and (iii))	297.71	256.84
Bills discounted with banks (Refer note 18.1.4.(iv))	47.15	-
	345.30	266.84

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	As at March 31, 2021	As at March 31, 2020
Unsecured		
Loans repayable on demand from banks	520.40	488.60
Commercial papers from banks and others #	100.00	200.00
	620.40	688.60
	965.70	955.44

* Above amount of borrowings are net of upfront fees paid ₹ 5.02 crores (Previous year : ₹ 9.40 Crores)

The maximum amount due during the year is ₹ 600 crores (Previous year : ₹ 400.00 Crores)

There have been no defaults in repayment of principal and interest on borrowings during the reporting periods.

18.1 Details of security of the secured loans:

Details of Loan	As at March 31, 2021#	As at March 31, 2020#	Security
1 Nil (Previous Year 3,000), 7.33%, Listed, Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each*	-	300.00	Debentures were secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur in the State of Uttarakhand (other than moveable assets of Laminated Fabrics Business) and Dahej in the State of Gujarat (excluding certain assets) and an equitable mortgage of Company's immovable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.
Terms and conditions			
a) Redeemable at face value in one single instalment at the end of 3rd year from the date of allotment.			
b) Coupon is payable annually on June 30, every year.			
2 2,500 (Previous Year : Nil), 3 Months T-Bill + 188 bps, Listed, Secured, Redeemable, Non-Convertible Debentures of the face value of 10 lakhs each*	250.00	-	Debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur in the State of Uttarakhand (other than moveable assets of Laminated Fabrics Business) and Dahej in the State of Gujarat (excluding certain assets).
Terms and conditions			
a) Redeemable at face value in one single instalment at the end of 2nd year from the date of allotment.			
b) Coupon is payable on a quarterly basis every year.			

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(All amounts in ₹ Crores, unless otherwise stated)

Details of Loan	As at March 31, 2021#	As at March 31, 2020#	Security
3 (i) Term loan from Banks*	1,390.07	1,343.02	<p>Moveable property</p> <p>(a)(i) Out of the loans as at 3(i), loans aggregating to ₹ 1099.30 Crores (Previous Year – ₹ 1154.12 Crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets)</p> <p>(a)(ii) Out of the loans as at 3(i), loans aggregating to ₹ 290.77 Crores (Previous Year – ₹ 188.90 Crores) are in the process of being secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets)</p> <p>Immoveable property</p> <p>(b)(i) Out of the loans as at 3(i) loans aggregating to ₹ 849.30 Crores (Previous Year – ₹ 1343.02 Crores) are secured by equitable Mortgage of Company's immovable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand</p> <p>(b)(ii) Out of the loans as at 3(b)(i) loans aggregating to ₹ 400.99 Crores (Previous Year – ₹ 544.56 Crores) are additionally secured by equitable Mortgage of Company's immovable properties, both present and future, situated at Jhiwana in the State of Rajasthan.</p>

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for the year ended March 31, 2021

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Details of Loan	As at March 31, 2021 [#]	As at March 31, 2020 [#]	Security
			<p>(b)(iii) Out of the loans as at 3(b)(i) loans aggregating to ₹ Nil (Previous Year – ₹ 75.56 Crores) are additionally secured by equitable Mortgage of Company's immovable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).</p> <p>(b) (iv) Out of the loans as at 3(i), the term loans aggregating to:</p> <p>(a) ₹ Nil (Previous Year - ₹ 565.48 crores) were to be secured by equitable mortgage of immovable properties at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand in the previous year.</p> <p>(b) ₹ 38.50 Crores (Previous Year – ₹ 43.50 Crores) are to be further secured by equitable mortgage of Company's immovable properties, both present and future, situated at Jhiwana in the State of Rajasthan.</p>
(ii) Term loan from banks	428.88	395.69	Term loan is secured by pledge of 85% of the share capital of SRF Europe Kft held by SRF Global BV, mortgage of land and building of SRF Europe Kft and exclusive charge over the fixed assets of SRF Europe Kft.
(iii) Term loan from banks	163.79	161.00	Term loan is secured by mortgage of existing plant and machinery, land and building and/or any construction in future of Packaging film Factory (SRF Industries (Thailand) Ltd).
4 (i) Term loans from others	21.95	60.48	Term loan availed from International Finance Corporation, Washington is secured by continuing coverage mortgage bond over the land, special notarial bond and general notarial bond over the property of SRF Flexipak (South Africa) (Pty) Limited.
(ii) Term loans from others	175.59	221.66	Loan of ₹ 175.59 Crores (Previous Year – ₹ 221.66 Crores) is secured by the hypothecation and equitable mortgage of Company's moveable and immovable properties at Dhar in the State of Madhya Pradesh.
5 (i) Loans repayable on demand from banks	233.38	244.45	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai (other than current assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh and Kashipur (other than current assets of Laminated Fabrics Business) in the State of Uttarakhand.

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(All amounts in ₹ Crores, unless otherwise stated)

Details of Loan	As at March 31, 2021 [#]	As at March 31, 2020 [#]	Security
(ii) Loans repayable on demand from banks	64.33	12.39	Working capital facilities is secured by pledge of 85% of the share capital of SRF Europe Kft held by SRF Global BV and pledge over receivables arising out of trade agreements
(iii) Cash credit from banks	0.44	10.00	Working capital facilities availed by SRF Flexipak (South Africa) (Pty) Ltd. are secured by cession of debtors and limited cession and pledge of credit balances
(iv) Bills discounted with Banks	47.15	-	Secured against certain trade receivables of the Company. (Also Refer note 13 (iv))

*Such hypothecation in respect of Non convertible debentures mentioned in point no. 2 and hypothecation and equitable mortgage mentioned in point no 3 rank pari-passu inter se between term loans from banks / Non convertible debentures. (Previous year : Such hypothecation and equitable mortgage in point no 1 and 3 rank pari-passu between term loans from banks / Non convertible debentures).

The term loans figures from bank as on March 31, 2020 as mentioned in point 3(i)(a)(i) and 3(i)(b)(i) above includes amount of ₹ 200 crores, which was repaid during the current financial year. However, charge created to secure the said loan against the assets mentioned in the said points is yet to be released.

During the current financial year, the company has taken term loan of ₹ 500 crores which was secured by assets as mentioned in point 3(i)(a)(i). This loan was repaid during the current year only, however, charge created against these assets is yet to be released.

[#]Gross of upfront fees paid ₹ 5.02 Crores (Previous year - ₹ 9.40 Crores)

18.2 Terms of loans

As at March 31, 2021

Non Current Borrowings

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2022	Up to March 31, 2023	Up to March 31, 2024	From 2024 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value in one Instalment at the end of second year	Floating rate at 5.23%	-	250.00	-	-
Term loan from banks	Half yearly instalment	Ranging from 1.23% to 7.85%	17.63	55.76	23.26	232.62
	Quarterly Instalment	Ranging from 0.41% to 6.25%	379.83	398.00	309.90	544.75
	Yearly payments	Floating rate at 7.25%	4.00	1.00	1.00	-
	Bullet payments	Fixed rate at 6.65%	-	15.00	-	-
Term loan from others	Half yearly payments	Ranging from 2.01% to 2.21%	60.95	39.00	39.00	58.58
			462.41	758.76	373.16	835.95

Amounts mentioned above are gross of upfront fees paid of ₹ 5.02 Crores.

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Current Borrowings

Short term borrowings are either payable in one instalment within one year or repayable on demand. For short term borrowings interest rates ranges from 0.30% to 7.50%

18.2 Terms of loans

As at March 31, 2020

Non Current Borrowings

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2021	Up to March 31, 2022	Up to March 31, 2023	From 2023 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value in one instalment at the end of third year	Fixed rate of 7.33%	300.00	-	-	-
Term loan from banks	Half yearly instalment	Ranging from 2.71% to 9.05%	5.00	46.31	72.81	80.63
	Quarterly Instalment	Ranging from 0.55% to 7.40%	217.56	291.53	287.74	595.86
	Yearly payments	Ranging from 7.65% to 8.25%	106.00	104.00	1.00	1.00
	Bullet payments	Ranging from 0.97% to 6.65%	-	226.68	406.97	-
Term loan from others	Half yearly instalments	Ranging from 3.28% to 3.92%	153.65	62.96	40.29	100.79
			782.21	731.48	808.81	778.28

Amounts mentioned above are gross of upfront fees paid of ₹ 9.40 crores

CURRENT BORROWINGS

Short term borrowings are either payable in one instalment within one year or repayable on demand. For short term borrowings interest rates ranges from 0.80% to 8.75%.

Terms of repayment

- 1) Redeemable non convertible debenture of ₹ 300 Crores repaid in current year in June 2020 (Previous year: ₹ 300 Crores are repayable in one bullet instalment in June 2020)
- 2) Rupee term loans of ₹ 38.50 Crores are repayable in 3 half yearly instalments from August 2021 (Previous year: ₹ 43.50 Crores repayable in 5 half yearly instalments from August 2020).
- 3) Rupee term loans of ₹ 24.66 Crores are repayable in 6 quarterly instalments from June 2021 (Previous year: ₹ 41.10 Crores repayable in 10 quarterly instalments from June 2020)
- 4) Rupee term loans of ₹ 200.00 Crores repaid in current financial year (Previous year: ₹ 200.00 Crores repayable in 2 annual instalments from August 2020).
- 5) Rupee term loans of ₹ 6.00 Crores are repayable in 3 annual instalments from December 2020 (Previous year: ₹ 12.00 Crores repayable in 4 annual instalments from December 2019).

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- 6) Redeemable non convertible debenture of ₹ 250.00 Crores are repayable in one bullet instalment in September 2022.(Previous year: Nil).
- 7) Rupee term loans of ₹ 250.00 Crores are repayable in 16 quarterly instalments from July 2021 (Previous year: Nil).
- 8) Foreign currency term loan of ₹ 114.30 Crores are repayable in 5 quarterly instalments from June 2021 (Previous year: ₹ 188.90 Crores are repayable in 8 quarterly instalments from September 2020).
- 9) Foreign currency term loan of ₹ 361.33 Crores are repayable in 16 quarterly instalments from May 2021 (Previous year: ₹ 412.90 Crores are repayable in 19 quarterly instalments from August 2020).
- 10) Foreign currency term loan of ₹ 143.69 Crores are repayable in 11 quarterly instalments from April 2021 (Previous year: ₹ 188.90 Crores are repayable in 14 quarterly instalments from July 2020).
- 11) Foreign currency term loan of ₹ 75.56 Crores was repaid in current year (Previous year: ₹ 75.56 Crores repayable in 2 half yearly instalments from September 2020).
- 12) Foreign currency term loan of ₹ 175.59 Crores are repayable in 9 half yearly instalments from April 2021 (Previous year: ₹ 221.66 Crores are repayable in 11 half yearly instalments from April 2020).
- 13) Foreign currency term loan of ₹ 15.00 Crores are repayable in one bullet instalment in June 2022 (Previous year: ₹ 15.00 Crores is repayable in one bullet instalment in June 2022).
- 14) Foreign currency term loan of ₹ 145.82 Crores are repayable in 9 quarterly instalments from April 2021 (Previous year: ₹ 165.16 Crores are repayable in 12 quarterly instalments from July 2020)
- 15) Foreign currency term loan of ₹ 290.77 Crores are repayable in 5 half yearly instalments from March 2022 and 12 monthly instalments from April 2024. (Previous year: Nil).
- 16) Foreign currency term loan of ₹ 226.68 Crores repaid in current financial year (Previous year: ₹ 226.68 Crores repayable in one bullet instalment in December 2021).
- 17) Foreign currency term loan of ₹ 226.68 Crores repaid in current financial year (Previous year: ₹ 226.68 Crores repayable in one bullet instalment in December 2022).
- 18) Foreign currency term loan of ₹ 165.34 Crores repaid in current financial year ((Previous year: ₹ 165.34 Crores repayable in one bullet instalment in December 2022).
- 19) Foreign currency term loan of ₹ 21.95 Crores are repayable in 2 half yearly instalments from May 2021 (Previous year: ₹ 60.45 Crores are repayable in 4 half yearly instalments from May 2020).
- 20) Foreign currency term loan of ₹ 428.88 Crores are repayable in 20 quarterly instalments from March 2022 (Previous year : ₹ 395.69 Crores are repayable in 20 quarterly instalments from March 2022).
- 21) Foreign currency term loan of ₹ 163.79 Crores are repayable in 8 half yearly instalments from September 2021 (Previous year : ₹ 161.26 Crores are repayable in 8 half yearly instalments from September 2021).

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19. Provisions

	As at March 31, 2021	As at March 31, 2020
Non-Current		
Provision for employee benefits		
Provision for compensated absence (Refer note 36.3)	39.24	32.94
Provision for retention pay (Refer note 36.3)	0.17	1.49
Other employee benefits	4.14	3.10
	43.55	37.53
Current		
Provision for employee benefits		
Provision for compensated absence (Refer note 36.3)	8.68	6.48
Provision for retention pay (Refer note 36.3)	-	0.14
	8.68	6.62

20. Trade Payables

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises [#]	33.37	30.36
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances [*]	139.97	92.59
- Other than acceptances	1411.85	988.74
	1,585.19	1,111.69

[#]Refer note 20.1

^{*}Acceptances represents invoices discounted by vendors with banks

20.1 Total outstanding dues of micro enterprises and small enterprises

Trade Payables include the following dues to micro and small enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) to the extent such parties have been identified from the available information.

	As at March 31, 2021	As at March 31, 2020
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount ^{**}	52.02	35.88
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED /settled	-	1.02

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	As at March 31, 2021	As at March 31, 2020
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues are actually paid, for the purpose of disallowance of a deductible expenditure	-	-

^{**}including payable to micro enterprise and small enterprise included in other financial liabilities (refer note 21)

21. Other Financial Liabilities

	As at March 31, 2021	As at March 31, 2020
Non-Current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	-	21.43
- Interest rate swaps used for hedging	0.54	1.44
	0.54	22.87
Current		
Current maturities of long term borrowings (Refer note 18)	460.25	779.75
Interest accrued but not due on borrowings	5.79	29.14
Unpaid dividends [*]	6.57	6.04
Security deposits received	8.63	6.88
Payables to capital creditors		
Total outstanding dues of micro enterprises and small enterprises [#]	18.65	5.52
Total outstanding dues of creditors other than micro enterprises and small enterprises	349.46	215.90
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	-	44.19
- Interest rate swaps used for hedging	-	0.98
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	-	2.58
Others	43.19	33.56
	892.54	1,124.54

^{*}Amount will be credited to investor education and protection fund if not claimed within seven years from the date of declaration of dividend.

[#]Refer note 20.1

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22. Tax Assets and Liabilities

	As at March 31, 2021	As at March 31, 2020
Non - Current tax assets		
Advance tax (net of provision for tax)	33.74	35.03
Current tax assets		
Advance tax (net of provisions for tax)	-	1.74
Current tax liabilities		
Provision for tax (net of advance tax)	12.49	9.75

23. Other Liabilities

	As at March 31, 2021	As at March 31, 2020
Non-current		
Deferred government grants*	42.77	14.00
	42.77	14.00
Current		
Contract liability (Refer note 41)	18.40	12.68
Statutory liabilities	38.07	21.73
Payable to gratuity trust (Refer note 36.2)	4.52	15.82
Other payables	31.74	35.95
	92.73	86.18

*The group had received financial assistance from the Industrial Development Corporation of South Africa for the development of the clothing and textiles competitiveness programme - RCF in respect of its property, plant and equipment in earlier years.

Further, during the current year, the group has received financial assistance from Ministry of Foreign Affair and Trade, Hungary amounting to ₹ 28.16 crores under the governments' "Scheme for Investment Promotion" to promote investment and job creation.

The unamortised grant amount as on March 31, 2021 is ₹ 42.77 crores (Previous year : ₹ 14.00 crores).

24. Revenue from Operations*

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products		
Manufactured goods	8,214.10	6,941.92
Traded goods	81.30	120.20
	8,295.40	7,062.12
Other operating revenues		
Claims	0.52	0.25
Export and other incentives	70.65	102.87
Scrap sales	29.98	30.07
Other operating income	3.49	14.10
	104.64	147.29
	8,400.04	7,209.41

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Reconciliation of revenue from sale of products with the contracted price

	Year ended March 31, 2021	Year ended March 31, 2020
Contracted price	8,438.70	7,162.59
Less: Discounts, allowances and claims	(143.30)	(100.47)
Sale of products	8,295.40	7,062.12

*Refer Note 42 C

25. Other Income*

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income		
- from customers	0.01	0.08
- on loans and deposits	1.22	1.09
- on others	7.80	13.93
Net gain on sale/discarding of property, plant and equipment	0.39	12.85
Net gain on financial assets measured at fair value through profit and loss	25.45	9.38
Net foreign currency exchange fluctuation gains	11.86	-
Provision / liabilities no longer required written back	11.49	2.86
Other non-operating income	8.13	8.86
	66.35	49.05

*Refer Note 42 C

26.1 Cost of Materials Consumed

	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock of raw materials		
- Continuing operations	512.59	573.01
- Discontinued operations	-	35.10
Add: Purchases of raw materials		
- Continuing operations	4,198.45	3,626.97
- Discontinued operations	-	81.24
	4,711.04	4,316.32
Less: Closing stock of raw materials		
- Continuing operations	683.36	512.59
- Discontinued operations	-	-
Cost of materials consumed*		
- Continuing operations	4,027.68	3,687.39
- Discontinued operations	-	116.34

*including packing material

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26.2 Purchases of Stock in Trade*

	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of stock in trade	62.92	91.40
	62.92	91.40

*Refer note 42 C

26.3 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year:		
- Continuing operations		
Stock-in-Process	176.47	156.45
Finished goods	338.59	281.24
Traded goods	4.32	7.02
	519.38	444.71
Effect of changes in exchange currency rates		
- Continuing operations		
Stock-in-Process	0.56	(0.14)
Finished goods	2.47	(1.11)
	3.03	(1.25)
- Discontinued operations		
Stock-in-Process	-	0.40
Finished goods	-	0.57
	-	0.97
Inventories at the beginning of the year:		
- Continuing operations		
Stock-in-Process	156.45	139.65
Finished goods	281.24	209.49
Traded goods	7.02	5.00
	444.71	354.14
- Discontinued operations		
Stock-in-Process	-	-
Finished goods	-	7.95
Traded goods	-	16.37
	-	24.32
Net (increase) / decrease		
- Continuing operations	(71.66)	(91.82)
- Discontinued operations	-	25.29

27. Employee Benefits Expense*

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages, including bonus	515.89	446.79
Contribution to provident and other funds	40.89	35.79
Workmen and staff welfare expenses	63.66	58.36
Share based payment expense (Refer note 37)	0.96	0.98
	621.40	541.92

*Refer note 42 C

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for the year ended March 31, 2021

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28. Finance Cost*

	Year ended March 31, 2021	Year ended March 31, 2020
Interest cost [^]		
- Non convertible debentures	12.27	21.99
- Term loans and others	99.46	145.96
- Lease liabilities	6.49	6.70
Other borrowing costs	14.95	12.87
Exchange differences regarded as an adjustment to borrowing cost	0.78	13.16
	133.95	200.68

[^]pertains to liabilities measured at amortised cost.

*Refer Note 42 C

29. Depreciation and Amortisation Expense*

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	426.78	364.39
Amortisation of intangible assets	8.24	7.48
Depreciation of Right of use assets	18.06	16.74
	453.08	388.61

*Refer Note 42 C

30. Other Expense*

	Year ended March 31, 2021	Year ended March 31, 2020
Credit impaired assets provided / written off	11.94	2.05
Labour production	52.44	44.92
Directors' sitting fees	0.29	0.26
Expenditure on corporate social responsibility**	12.88	12.00
Property, plant and equipment provided/ written off	1.37	5.55
Freight charges	302.06	223.31
Insurance	39.57	39.06
Power and fuel	717.34	672.55
Legal and professional charges	33.10	34.53
Rates and taxes	9.91	36.37
Rent***	17.92	14.78
Repairs and maintenance		
- Buildings	5.38	6.37
- Plant and machinery	162.42	158.44
- Other maintainance	37.34	38.93
Selling commission	26.83	21.02

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(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
Stores and spares consumed	66.54	66.47
Travelling and conveyance	5.84	19.05
Auditor remuneration # ****		
- Audit Fees	1.52	1.12
- For limited review of unaudited financial results	0.94	0.40
- For Corporate governance, consolidated financial statements and other certificates	0.22	0.12
- For tax audit	0.08	0.06
- Reimbursement of out of pocket expenses	0.08	0.16
Exchange currency fluctuation (net)	-	3.50
Effluent disposal expenses	77.10	77.52
Miscellaneous expenses	43.26	47.04
	1,626.37	1,525.58

*Refer note 42 C

**Refer to note 46(d)

***Refer to note 43

#including fees paid to auditors of subsidiary companies

****Excluding fees of ₹ 0.43 Crore (Previous year: Nil) for QIP related attestation and certification, netted off from securities premium.

31. Income Tax Recognised in Profit and Loss

	Year ended March 31, 2021	Year ended March 31, 2020
Tax expense related to continuing operations	414.40	(1.20)
Tax expense related to discontinued operations	(2.42)	52.66
	411.98	51.46
(a) Tax expense related to continuing operations		
Current tax		
In relation to current year	357.97	115.97
Adjustment in relation to earlier years	0.02	(11.71)
	357.99	104.26
Deferred tax		
- MAT credit entitlement		
In relation to current year	-	(13.83)
Adjustment in relation to earlier years	(5.38)	(22.90)
	(5.38)	(36.73)
- Others		
In relation to current year	57.44	(75.63)
Adjustment in relation to earlier years	4.35	6.90
	61.79	(68.73)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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	Year ended March 31, 2021	Year ended March 31, 2020
(b) Tax expense related to discontinued operations		
Current tax		
In relation to current year	-	61.23
Deferred tax		
- Others		
In relation to current year	(0.28)	(8.57)
Adjustment in relation to earlier years	(2.14)	-
	(2.42)	52.66

The income tax expenses for the year can be reconciled to the accounting profits as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax		
From continuing operations	1,612.65	914.70
From discontinued operations	(2.73)	155.85
Total Profit before tax	1,609.92	1,070.55
Income Tax Expenses @ 34.944% (Previous year @ 34.944%)	562.57	374.09
Effect of deductions (research and development, share issue expenses and deductions under Chapter - VIA of Income Tax Act)	(54.59)	(76.74)
Effect of expenses that are not deductible in determining taxable profits	5.48	6.25
Effect of income taxable at lower rate		(26.00)
Effect of credit recognised on set-off of carried forward long term capital losses (Refer note (iii) below)	-	(43.40)
Effect of re-measurement of deferred tax balances / lower tax rate on certain temporary differences pursuant to Section 115BAA of Income tax act. Refer to note 9(ii)	(22.73)	(136.11)
Effect of Nil tax/exemption of overseas subsidiaries	(40.05)	(8.66)
Effect of Deferred tax created on past accumulated losses	-	(11.24)
Effect of lower tax rates in overseas subsidiaries	(40.14)	4.27
Others	2.45	(3.29)
Income tax expenses recognised in profit and loss in relation to current year	412.99	79.17
Income tax expenses recognised in profit and loss in relation to earlier years (Refer note (ii) below)	(1.01)	(27.71)
Total Income tax expenses recognised in profit and loss	411.98	51.46

Notes:

- (i) The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (2020: 34.944%) payable by corporate entities in India on taxable profits under the Indian tax law.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

- (ii) Income tax in relation to earlier years includes tax credit of ₹ 1.62 crores (Previous year ₹ 22.58 crores) which is related to finalization and determination of deduction/allowance claimed for earlier years under Chapter-VIA of the Income-tax Act, 1961, for generation of power from captive power plants which is based on finalization of transfer pricing study /tax audit reports of the earlier years.
- (iii) The Company had ₹ 186.32 Crores of carried forward long term capital losses as per Income Tax Act, 1961, available for set off, on which no deferred tax asset was recognized till year ended March 31, 2019. Pursuant to recognition of long term capital gain, a tax credit of ₹ 43.40 Crores has been recognised during the previous year in respect of such losses in accordance with Ind AS 12 - "Income Taxes".

32. Income Tax Recognised in Other Comprehensive Income

	Year ended March 31, 2021	Year ended March 31, 2020
Arising on income and expense recognised in other comprehensive income		
Net (gain)/ loss on designated portion of hedging instruments in cash flow hedges	(46.24)	57.58
Cost of hedging reserve	(0.33)	-
Remeasurement of defined benefit obligation	(0.84)	2.86
	(47.41)	60.44
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	(46.57)	57.58
Items that will not be reclassified to profit or loss	(0.84)	2.86
	(47.41)	60.44

33. Contingent Liabilities

	As at March 31, 2021	As at March 31, 2020
a. Claims against the Company not acknowledged as debts:		
Goods and Services tax, excise duty, custom duty and service tax*	23.11	21.33
Sales tax and entry tax **	20.38	19.08
Income tax (also refer note b(ii) below) ****	3.74	5.79
Others ***	13.19	11.85

* Amount deposited against contingent liability ₹ 1.79 Crores (Previous year: ₹ 2.72 Crores)

** Amount deposited against contingent liability ₹ 7.59 Crores (Previous year: ₹ 4.62 Crores)

*** Amount deposited against contingent liability ₹ 0.40 Crores (Previous year: ₹ 0.49 Crore)

**** Amount deposited against contingent liability ₹ 3.09 Crores (Previous year: ₹ 5.68 Crores)

*** Includes demand by Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. (MPPKVV Ltd) of ₹ 11.40 Crores (Previous year: ₹ 10.06 Crores) which is disputed by the Company.

All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on the results of the operations or financial position of the group.

- b. (i) The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax amounting to ₹ 18.58 Crores (Previous year: ₹ 25.61 Crores) should not be levied. The Company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

- (ii) The Company had received a draft assessment order for assessment year 2016-17 on December 29, 2019 in which adjustments amounting to ₹ 367.37 Crores were proposed on account of transfer pricing adjustments etc. which were pending before Dispute Resolution Panel as at March 31, 2021. On April 30, 2021 the Company has received the final assessment order wherein adjustments amounting to ₹ 118.49 Crores have been made on account of transfer pricing adjustments, research and development expenditure and others etc. and demand of ₹ 22.66 crores have been raised. The Company will file rectification application against research and development disallowance as well as towards certain computation error and for rest of the issues, appeal will be filed before ITAT. Based on the facts of the case and the Company's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

- (iii) The Company has received a show cause notice for assessment year 2017-18 on April 23, 2021 wherein adjustments amounting to ₹ 377.44 Crores have been proposed on account of transfer pricing adjustments, research and development expenditure and others etc. Draft assessment order is yet to be passed by the National E-Assessment Centre. Based on the facts of the case and the Company's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

- c. In February 2019, the Honourable Supreme Court of India in its judgement opined on the applicability of allowances that should be considered to measure obligations under Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Company believes that there are interpretative challenges on the application of judgement retrospectively and therefore had applied the judgement on a prospective basis from previous year onwards.

- d. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the group or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made.

34. Capital and Other Commitments

	As at March 31, 2021	As at March 31, 2020
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	751.56	362.95
(ii) The group has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The group does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses which have not been provided for.		
iii) Export obligation under advance license scheme on duty free import of specific raw materials, remaining outstanding is ₹ 619.36 crores (Previous year: ₹ 204.24 crores).		

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for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

35. Related Party Transactions

35.1 Description of related parties under Ind AS- 24 "Related party disclosures"

Ultimate holding entity	Key management personnel (KMP)
ABR Family Trust	Arun Bharat Ram
	Ashish Bharat Ram
Holding Company	Kartik Bharat Ram
KAMA Holdings Limited	Tejpreet S Chopra
	Lakshman Lakshminarayan
Fellow subsidiaries[#]	Vellayan Subbiah
KAMA Realty (Delhi) Limited	Meenakshi Gopinath
Shri Educare Limited	Pramod Gopaldas Gujarathi
	Bharti Gupta Ramola
Post employment benefit plans trust	Yash Gupta
SRF Limited Officers Provident Fund Trust	Puneet Yadu Dalmia
SRF Employees Gratuity Trust	
SRF Officers Gratuity Trust	Enterprises over which KMP have significant influence[#]
	SRF Foundation
Relatives of KMP[#]	Karm Farms LLP
Sushil Ramola	Srishti Westend Greens Farms LLP
Shanthi Narayan	SRF Welfare Trust
Murugappan Vellayan Subbiah	BLP Industry AI Private Limited
	Relatives of KMP of Holding Company[#]
KMP of Holding Company[#]	Nirmala Kothari
Ekta Maheshwari	
	Enterprises over which relative of KMP has control[#]
	Murugappa & Sons

[#] Only with whom the Company had transactions during the year

35.2 Transactions with related parties

	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of property, plant & equipment and intangible assets from		
Holding company	-	0.15
	-	0.15
Sale of property, plant & equipment and intangible assets to		
Holding company	-	0.20
	-	0.20

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for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of goods to		
Enterprises over which KMP have significant influence	-	0.25
	-	0.25
Rent paid		
Fellow Subsidiaries	6.60	6.63
Key management personnel	0.27	0.29
Enterprises over which KMP have significant influence	0.27	0.27
	7.14	7.19
Reimbursement of expenses from		
Holding Company	0.01	0.01
Fellow Subsidiaries	0.05	0.05
	0.06	0.06
Receiving of Services from :		
Enterprises over which KMP have significant influence	0.07	-
	0.07	-
Deposits received back from		
Fellow Subsidiaries	-	0.12
Enterprises over which KMP have significant influence	-	0.04
	-	0.16
Contribution for expenditure on corporate social responsibility		
Enterprises over which KMP have significant influence	9.18	12.00
	9.18	12.00
Contribution to post employment benefit plans		
Post employment benefit plans trust	35.41	24.31
	35.41	24.31
Employee benefit obligations transferred to		
Holding Company	0.02	0.03
Fellow Subsidiaries	-	0.10
Enterprises over which KMP have significant influence	*	-
	0.02	0.13
* Amount in absolute ₹ 25,962 (Previous year : Nil)		
Employee benefit obligations transferred from		
Holding Company	-	0.09
	-	0.09
Equity dividend paid		
Holding Company	72.12	42.07
Key management personnel	0.12	0.06
Relatives of KMP	0.07	0.04
KMP of Holding Company	^^	-

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for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
Relatives of KMP of Holding Company	^	^
Enterprises over which relative of KMP has control	^^^	-
	72.31	42.17

^Amount in absolute ₹ 240 (Previous year: 140)

^^Amount in absolute ₹ 168 (Previous year: Nil)

^^^Amount in absolute ₹ 24,618 (Previous year: Nil)

35.3 Outstanding Balances:

	Year ended March 31, 2021	Year ended March 31, 2020
Commission payable		
Key management personnel	12.84	10.22
	12.84	10.22
Payable		
Post employment benefit plans trust	4.53	14.37
	4.53	14.37
Security deposits outstanding		
Fellow Subsidiaries	3.27	3.27
Key management personnel	0.13	0.13
Enterprises over which KMP have significant influence	0.14	0.14
	3.54	3.54

35.4 Key management personnel compensation

	Year ended March 31, 2021	Year ended March 31, 2020
Short-term benefits*	26.21	22.11
Post-employment benefits	1.44	1.75
Other long-term benefits	0.97	1.25
	28.62	25.11

* Includes sitting fees and commission paid/ payable to non executive directors

36. Employee Benefits

36.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

Indian entities	Year ended March 31, 2021	Year ended March 31, 2020
Superannuation fund (Refer to note (i) below)	0.61	0.65
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	14.02	12.58
Employees' State Insurance Corporation	0.43	0.58
National Pension Scheme	1.34	1.99
	16.40	15.80

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Foreign subsidiaries	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to provident fund	1.21	1.24
Skill, development and Social Security Fund	3.10	0.78
Pension fund	1.53	1.05
	5.84	3.07

The expenses incurred on account of the above defined contribution plans have been included in Note 27 "Employee Benefits Expenses" under the head "Contribution to provident and other funds"

(i) Superannuation fund

The Company makes contributions to a Trust which in turn contributes to ICICI Prudential Life Insurance Company Limited. Apart from being covered under the Gratuity Plan described below, the employees of the Company also participate in a defined contribution superannuation plan maintained by the Company. The Company has no further obligations under the plan except making annual contributions based on a specified percentage of each covered employee's salary. From November 1, 2006, the Company provided an option to the employees to receive the said benefit as cash compensation along with salary in lieu of the superannuation benefit. Thus, no contribution is required to be made for the category of employees who opted to receive the benefit in cash.

(ii) Provident fund administered through Regional Provident Fund Commissioner

All employees are entitled to Provident Fund benefits as per the law. For certain category of employees the group administers the benefits through a recognized Provident Fund Trust. For other employees contributions are made to the Regional Provident Fund Commissioners. The Government mandates the annual yield to be provided to the employees on their corpus. This plan is considered as a Defined Contribution Plan. For the first category of employees (covered by the Trust), the group has an obligation to make good for the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government and these are considered as Defined Benefit Plans and are accounted for on the basis of an actuarial valuation.

36.2 Defined benefit plans

The group sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by separate funds which are legally separate from the group. These plans are:

- Gratuity
- Provident fund for certain category of employees administered through a recognized provident fund trust.
- Legal Severance pay & Health care (Unfunded) as applicable with respect to foreign entities

(i) These plans typically expose the group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

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Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Interest Risk

The plan exposes the group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of the providing the above benefits and will thus result an increase in value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of the plan participants both during and after the employment. An increase in the life expectancy of plan participants will increase the plan's liability.

(ii) The principal assumption used for the purpose of the actuarial valuation were as follows:

Indian entities	As at March 31, 2021		As at March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	6.69%	6.69%	6.77%	6.77%
Expected statutory interest rate	-	8.50%	-	8.50%
Salary increase	7.00%	-	7.00%	-
Retirement Age (years)	58.00	58.00	58.00	58.00
Mortality Rates	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Withdrawal rate				
Upto 30 years	20.00%	20.00%	20.00%	20.00%
31 to 44 years	7.00%	7.00%	7.00%	7.00%
Above 44 years	8.00%	8.00%	8.00%	8.00%

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2021	As at March 31, 2020
Discount Rate	2.70%	1.74%
Salary increase	6.25%	6.00%
In service mortality	TMO 2017	TMO 2017
Retirement Age	55	55
Withdrawal Rate		
- up to 20 years	15%	20%
- 21-30	15%	16%
- 31-40	8%	10%
- 41-50	3%	3%
- 51 onwards	2%	2%

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for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuations involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date.

The present value of defined benefit obligation and the related current service cost and past service cost were measured using projected unit credit method.

(iii) Amounts recognized in statement of profit an loss in respect of these benefit plans are as follows:

Indian entities	Year ended March 31, 2021		Year ended March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	8.03	6.75	7.19	6.07
Interest expenses (net of expected return on plan assets)	1.07	-	0.64	-
	9.10	6.75	7.83	6.07
Foreign subsidiaries	Legal Severance Pay (unfunded)			
	Year ended March 31, 2021		Year ended March 31, 2020	
Current/past Service cost*	0.93		15.27	
Net interest expenses	0.06		0.40	
	0.99		15.67	

*The above includes impact of discontinued operations.

The current service cost and the net interest expenses for the year are included in Note 27 "Employee Benefits Expenses" under the head Contribution to provident and other funds

(iv) Amount recognized in other comprehensive income:

Indian entities	Gratuity	
	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (gain)/losses on plan assets	(5.84)	(0.41)
Actuarial (gain)/losses arising from changes in financial assumptions	0.49	4.54
Actuarial (gain)/losses arising from changes in experience adjustments	2.94	4.06
	(2.41)	8.19

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Foreign subsidiaries	Legal Severance Pay (unfunded)	
	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (gain)/losses arising from changes in financial assumptions	(0.37)	0.71
Actuarial (gain)/losses arising from changes in experience adjustments and demographic assumption	0.10	(0.65)
	(0.27)	0.06

(v) The amount included in consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Indian entities	As at March 31, 2021		As at March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	98.72	158.91	85.78	137.01
Fair value of plan assets	94.20	157.71	69.96	136.55
Surplus/ (Deficit)	(4.52)	(1.20)	(15.82)	(0.46)
Effect of asset ceiling, if any	-	-	-	-
Net assets / (liability)	(4.52)	(1.20)	(15.82)	(0.46)

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	4.14	3.99
Fair value of plan assets	-	-
Net asset / (liability)	(4.14)	(3.99)

(vi) Movements in the present value of defined benefit obligation are as follows:

Indian entities	As at March 31, 2021		As at March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	85.78	137.01	70.66	121.17
Current service cost	8.03	6.75	7.19	6.07
Interest cost	5.81	11.92	5.41	10.32
Actuarial (gain)/losses arising from changes in financial assumptions	0.49	-	4.54	-
Actuarial (gain)/losses arising from changes in experience adjustments	2.94	-	4.06	-
Benefits paid	(4.33)	(8.73)	(5.04)	(13.88)
Contribution by plan participants / employees	-	10.83	-	10.00
Settlement/ transfer in	-	1.13	(1.04)	3.33
Closing defined benefit obligation	98.72	158.91	85.78	137.01

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Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	3.99	9.72
Current Service Cost	0.93	15.27
Interest Cost	0.06	0.40
Actuarial (gain)/losses arising from changes in financial assumptions	(0.37)	0.71
Actuarial (gain)/losses arising from changes in experience adjustments and demographic assumption	0.10	(0.65)
Exchange difference on foreign plans	0.07	0.37
Benefits paid/Settled*	(0.64)	(21.83)
Closing defined benefit obligation	4.14	3.99

*Benefits paid to employees due to discontinuation of business

(vii) Movements in the fair value of plan assets are as follows:

Indian entities	As at March 31, 2021		As at March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	69.96	136.55	62.36	123.07
Return on plan assets (excluding amounts included in net interest expenses)	10.58	11.18	5.28	10.14
Contributions from employer	17.99	6.75	8.30	6.07
Contributions from plan participants	-	10.83	-	10.00
Benefits paid	(4.33)	(8.73)	(5.04)	(13.88)
Settlement/ transfer in	-	1.13	(0.94)	1.15
Closing fair value of plan assets	94.20	157.71	69.96	136.55

Gratuity:

Plan assets comprises primarily of investment in HDFC Group Unit Linked Plan fund. The average duration of the defined benefit obligation is 9.14 years (Previous year: 9.08 years). The Company expects to make a contribution of ₹ 8.76 Crores (Previous year: ₹ 8.68 Crores) to the defined benefit plans during the next financial year.

Provident fund:

The plan assets have been primarily invested in government securities and corporate bonds.

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(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the 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 reporting period, while holding all other assumptions constant.

Indian entities	Year ended March 31, 2021		Year ended March 31, 2020	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Sensitivity analysis of Gratuity				
Discount rate	(3.00)	3.20	(2.62)	2.79
Expected salary growth	3.17	(3.01)	2.72	(2.63)
Sensitivity analysis of Provident Fund	(0.01)	0.01	(0.01)	0.01
Foreign subsidiaries				
	Year ended March 31, 2021		Year ended March 31, 2020	
	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Sensitivity analysis of Legal Severance Pay				
Discount rate	(0.44)	0.52	(0.34)	0.40
Expected salary growth	0.48	(0.42)	0.37	(0.32)

Sensitivity due to mortality and withdrawals are insignificant and hence ignored

36.3 Other long-term employee benefit

Amounts recognised in the statement of profit and loss in note 27 "Employee benefits expenses" under the head "Salaries and wages, including bonus"

	Year ended March 31, 2021	Year ended March 31, 2020
Long term retention pay (refer to note (i) below)	-	0.14
Compensated absences	11.57	11.26
	11.57	11.40

(i) Long Term Retention Pay

The group has a Long Term Retention Pay Plan which covers employees selected on the basis of their current band and their long term value to the Company. The incentive is payable in three year blocks subject to achievement of certain performance ratings. The Company also has a scheme for talent retention of certain identified employees under which an incentive is payable over a period of three years.

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37. Employee Share Based Payments

The Company has an Employee Share Purchase Scheme (SRF Long Term Share Based Incentive Plan) to provide equity settled share based payments to certain employees. The expenses related to the grant of shares under the Scheme are accounted for on the basis of fair value of the share on the grant date (which is the market price of the Company's share on the date of grant less exercise price). The fair value so determined is expensed on a straight line basis over the remaining tenure over which the employees renders their services.

There were no equity shares granted during the current and previous year. Based on the grants made in earlier years, the Company has recognised ₹ 0.96 crore as share based payment expense during the current year (Previous year ₹ 0.98 crores).

38. Segment Reporting

Based on the guiding principles laid down in Indian Accounting Standard (Ind AS) - 108 "Segment Reporting", the Managing Director of the Group is the Chief Operating Decision Maker (CODM) and for the purposes of resource allocation and assessment of segment performance, the business of the Group is segregated in the segments below:

- Technical Textiles business: includes nylon tyre cord fabric, belting fabric, polyester tyre cord fabric and industrial yarns and its research and development
- Chemicals business: includes refrigerant gases, industrial chemicals, speciality chemicals, fluorochemicals & allied products and its research and development.
- Packaging Film business: includes polyester films and polypropylene films.
- Others: include coated fabric, laminated fabric and other ancillary activities

Segment revenue, results and capital employed include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable.

In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments. These amounts relate to continuing operations, unless otherwise stated. (Refer to note 42 with regard to information in relation to discontinued operations).

b) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the consolidated balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

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A. Information about operating business segments

	Year ended March 31, 2021	Year ended March 31, 2020
Segment revenue		
a) Technical textiles business (TTB)		
- External sales	1,231.41	1,352.62
- Inter-segment sales	8.70	4.93
Total	1,240.11	1,357.55
b) Chemicals business (CB)		
- External sales	3,644.89	2,974.96
- Inter-segment sales	-	-
Total	3,644.89	2,974.96
c) Packaging films business (PFB)		
- External sales	3,291.72	2,603.58
- Inter-segment sales	-	0.41
Total	3,291.72	2,603.99
d) Others		
- External sales	232.02	278.26
- Inter-segment sales	-	0.08
Total	232.02	278.34
Total segment revenue	8,408.74	7,214.84
Less: Inter segment revenue	8.70	5.43
Revenue from operations	8,400.04	7,209.41
Add: Unallocable income	66.35	49.05
Total revenue	8,466.39	7,258.46
Segment profits		
Profit before interest and tax from each segment		
a) Technical textiles business (TTB)	176.90	151.49
b) Chemicals business (CB)	728.14	511.48
c) Packaging films business (PFB)	897.87	555.62
d) Others	25.59	31.77
Total segment results	1,828.50	1,250.36
Less: i) Interest and finance charges	133.95	200.68
Less: ii) Other unallocable expenses net of income	81.90	134.98
Profit before tax from continuing operations	1,612.65	914.70
(Loss) / Profit before tax from discontinuing operations	(2.73)	155.85
(Refer note 42)		
Total profit before tax	1,609.92	1,070.55
Capital expenditure		
a) Technical textiles business (TTB)	77.90	63.18
b) Chemicals business (CB)	618.66	503.27

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	Year ended March 31, 2021	Year ended March 31, 2020
c) Packaging films business (PFB)	553.34	1,098.49
d) Others	1.92	11.67
e) Unallocated	3.13	6.53
Total	1,254.95	1,683.14
Depreciation and amortisation		
a) Technical Textiles Business (TTB)	35.41	34.69
b) Chemicals Business (CB)	273.09	245.33
c) Packaging Films Business (PFB)	123.61	86.26
d) Others	8.06	8.49
e) Unallocated	12.91	13.84
Total	453.08	388.61
Segment assets and liabilities		
	As at March 31, 2021	As at March 31, 2020
Segment assets		
a) Technical Textiles Business (TTB)	1,582.16	1,385.06
b) Chemicals Business (CB)	5,741.97	5,247.50
c) Packaging Films Business (PFB)	4,543.33	3,582.77
d) Others	171.97	187.37
Total	12,039.43	10,402.70
Unallocable assets	889.98	462.22
Assets classified as held for sale	-	11.84
Total assets	12,929.41	10,876.76
Segment liabilities		
a) Technical Textiles Business (TTB)	337.14	303.71
b) Chemicals Business (CB)	710.22	515.33
c) Packaging Films Business (PFB)	1,117.90	664.05
d) Others	32.85	43.68
Total	2,198.11	1,526.77
Unallocable liabilities	3,874.88	4,416.67
Total liabilities	6,072.99	5,943.44

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B. Information about geographical business segments

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations		
- India	3,640.40	3,654.63
- South Africa	475.37	363.06
- Singapore	5.47	13.04
- Germany	476.58	525.59
- USA	576.20	426.94
- Thailand	188.89	140.74
- Hungary	13.61	-
- Switzerland	687.75	425.38
- Belgium	635.51	293.59
- Others	1,700.26	1,366.44
	8,400.04	7,209.41
	Year ended March 31, 2021	Year ended March 31, 2020
Non current segment assets		
Within India	6,505.08	6,022.14
Outside India	2,338.23	1,835.25
	8,843.31	7,857.39

Non current segment assets includes property, plant and equipment, right of use assets, capital work in progress, intangible assets, Goodwill and other non current assets.

No single customer contributed 10% or more to the Group's revenue for both 2020-21 and 2019-20

Revenue from major products	Year ended March 31, 2021	Year ended March 31, 2020
a) Technical textiles business (TTB)		
Nylon tyre cord fabric/ Polyester tyre cord fabric / Belting fabric	1,122.94	1,178.73
Synthetic filament yarn including Industrial yarn /Twine	97.21	162.86
Waste/others	0.62	-
b) Chemicals business (CB)		
Speciality Chemicals	2,389.39	1,623.83
Fluorochemicals, Refrigerant Gases and allied products	893.98	929.08
Industrial Chemicals	311.00	344.89
Waste/others	0.74	1.31
c) Packaging films business (PFB)		
Packaging Films	3,253.26	2,557.09
d) Others		
Coated Fabric, Laminated Fabric and other ancillary activities	226.26	264.33
	8,295.40	7,062.12

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39. Earnings Per Share (EPS)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit attributable to equity holders of the group used in calculating basic earning per share and diluted earning per share:		
- From continuing operations	1,198.25	915.90
- From discontinued operations	(0.31)	103.19
- From continuing and discontinued operations	1,197.94	1,019.09
Weighted average number of equity shares of the company used in calculating basic earning per share and diluted earning per share (nos.)	5,82,83,078	5,74,80,500
Basic and diluted earnings per share of face value ₹10 each		
- From continuing operations (₹)	205.59	159.34
- From discontinued operations (₹)	(0.05)	17.95
- From continuing and discontinued operations (₹)	205.54	177.29

40. Financial Instruments and Risk Management

40.1 Capital Management

The group manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders by maintaining a reasonable balance between debt and equity. The capital structure of the group consists of net debt (borrowings net of cash and cash equivalents, deposits accounts with maturity beyond three months upto twelve months and current investments) and total equity of the group. The group is not subject to any externally imposed capital requirements. The group's management reviews the capital structure of the group on periodic basis. As part of its review, the management considers the cost of capital and risk associated with each class of capital. The group also evaluates its gearing measures using Debt Equity Ratio to arrive at an appropriate level of debt and accordingly evolves its capital structure.

The following table provides the details of the debt and equity at the end of the reporting periods:

	As at March 31, 2021	As at March 31, 2020
Debt	3,468.58	4,134.51
Less:		
Cash and cash equivalents	138.29	116.44
Deposits accounts with maturity beyond three months upto twelve months	135.19	0.10
Current investments	412.52	198.50
Net debt	2,782.58	3,819.47
Total equity	6,856.42	4,933.32
Net debt to equity ratio	0.41	0.77

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40.2 Financial instruments by category

Financial assets	Level of hierarchy	Notes	Carrying value as at		Fair value as at	
			As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Measured at amortised cost						
Trade Receivables		a	1,274.56	891.07	1,274.56	891.07
Cash and cash equivalents		a	138.29	116.44	138.29	116.44
Bank balances other than above		a	143.71	9.03	143.71	9.03
Loans		a, b	57.65	69.04	57.65	69.04
Other financial assets		a, b	179.60	186.16	179.60	186.16
			1,793.81	1,271.74	1,793.81	1,271.74
Measured at Fair value through profit and loss						
Investments in mutual funds and bonds/debentures	2	d	412.52	198.50	412.52	198.50
Derivative instruments	2	d	4.39	0.08	4.39	0.08
			416.91	198.58	416.91	198.58
Measured at Fair value through Other comprehensive income						
Investments in unquoted equity instruments	3	d	4.16	4.16	4.16	4.16
Derivative instruments	2	d	86.55	-	86.55	-
			90.71	4.16	90.71	4.16
Measured at amortised cost						
Borrowings		a, c	2,930.71	3,267.07	2,930.71	3,267.07
Trade payables		a	1,585.19	1,111.69	1,585.19	1,111.69
Other financial liabilities		a	892.54	1,076.78	892.54	1,076.78
			5,408.44	5,455.54	5,408.44	5,455.54
Measured at Fair value through profit and loss						
Derivative instruments	2	d	-	2.58	-	2.58
			-	2.58	-	2.58
Measured at Fair value through Other comprehensive income						
Derivative instruments	2	d	0.54	68.04	0.54	68.04
			0.54	68.04	0.54	68.04

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The following methods / assumptions were used to estimate the fair values:

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- Fair value of other long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.
- The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

There are no transfers between Level 1, Level 2 and Level 3 during the Year ended March 31, 2021 and March 31, 2020

Level 1:

Quoted prices in the active market: This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2:

Valuation techniques with significant observable inputs: This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of over the counter (OTC) derivative contracts, open ended mutual funds and bonds/debentures

Level 3:

Valuation techniques with significant unobservable inputs: This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Investments in mutual funds and bonds/debentures: Fair value is determined by reference to quotes from the financial institutions.
- Derivative contracts: The group has entered into various foreign currency contracts and interest rate swaps contracts to manage its exposure to fluctuations in foreign exchange rates and interest rate respectively. These financial exposures are managed in accordance with the group's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the authorized dealers banks and forward exchange rates at the balance sheet date.
- Unquoted equity investments: Fair value is determined based of the recoverable value as per agreement with the investee.

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Reconciliation of Level 3 fair value measurements	Unlisted equity instruments
As at March 31, 2019	0.11
Purchases of investment	4.05
As at March 31, 2020	4.16
Purchases of investment	-
As at March 31, 2021	4.16

Sensitivity of the fair value measurement to changes in unobservable inputs for financial instruments in Level 3 level of hierarchy is insignificant.

40.3 Financial Risk Management

The group is exposed to various financial risks arising from its underlying operations and finance activities. The group is primarily exposed to market risk (i.e. interest rate and foreign currency risk) and to credit risk and liquidity risk. The Group's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management within the group is governed by policies and guidelines approved by the senior management and the Board of Directors. These policies and guidelines cover interest rate risk, foreign currency risk, credit risk and liquidity risk. Group policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function within the group. Review of the financial risk is done on a monthly basis by the Managing Director and on a quarterly basis by the Board of Directors. The objective of financial risk management is to contain, where deemed appropriate, exposures on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the group's results and financial position.

In accordance with its financial risk management policies, the group manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. It is the group's policy and practice neither to enter into derivative transactions for speculative purpose, nor for any purpose unrelated to the underlying business. The Board of Directors / Managing Director reviews and approves policies for managing each of the above risks.

40.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The group enters into derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk.

A. Foreign Currency Risk Management

Foreign currency risk also known as Exchange Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign currency risk in the group is attributable to group's operating activities, investing activities and financing activities.

In the operating activities, the group's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). In compliance

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with the Board approved policy, the Group manages the net exposure on a rolling 12 month basis and for exposures between 12 to 36 months, hedging is done based on specific exposure. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the group are mainly in U.S. Dollar (USD), Euro (EUR), Japanese Yen (JPY) and British pound sterling (GBP). The group's exposure to foreign currency changes for all other currencies is not material.

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in ₹ are as follows:

	Assets		Liabilities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	824.27	280.30	1,946.21	1,576.55
EUR	257.67	114.34	1,124.86	813.85
JPY	-	-	11.28	6.87
GBP	10.96	4.13	13.12	0.26

Foreign currency sensitivity analysis

The group is mainly exposed to changes in USD, EURO, JPY and GBP exchange rates.

The following table details the group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2021		Year ended March 31, 2020	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss)*				
USD	5.73	(5.73)	9.18	(9.18)
EUR	3.60	(3.60)	1.21	(1.21)
JPY	0.11	(0.11)	0.07	(0.07)
GBP	0.02	(0.02)	(0.04)	0.04

*Includes sensitivity on long-term foreign currency monetary items on which Para D13 AA of Ind AS 101. Accordingly, the exchange loss/ (gain) arising on long term foreign currency monetary items relating to acquisition of depreciable assets will be added to/deducted from the cost of such assets/capital work-in-progress and will be depreciated over the balance useful life of assets.

Impact on equity (Other comprehensive income)				
USD	5.49	(5.49)	3.78	(3.78)
EUR	5.08	(5.08)	5.78	(5.78)

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Foreign exchange derivative and Non Derivative financial instruments

The group uses derivative as well as non derivative financial instruments for hedging financial risks that arise from its commercial business or financing activities. The group's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within 1 to 36 months for hedges of forecasted sales, purchases, loans and liabilities and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contracts*	No of Deals		Contract Value of Foreign Currency (In Millions)		Maturity			
					Up to 12 months Nominal Amount* (₹ Crores)		More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD/INR Sell forward	264	196	513.25	254.56	2,029.40	1,243.67	1,998.63	680.78
EUR/INR sell forward	17	27	40.50	38.00	181.53	172.65	202.77	153.78
EUR/USD Sell forward	-	4	-	6.00	-	50.51	-	-
USD/THB Buy forward	20	-	18.48	-	129.98	-	-	-
EUR/USD Buy forward	20	9	15.67	15.14	135.55	110.33	-	-
USD/ZAR Buy forward	-	1	-	0.40	-	2.51	-	-
USD/ZAR Sell forward	-	1	-	0.40	-	2.60	-	-

* Computed using average forward contract rates

The following table details the group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in forward rates. A positive number below indicates an increase in profit before tax or vice-versa.

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	Year ended March 31, 2021		Year ended March 31, 2020	
	Functional currency strengthens by 1%	Functional currency weakens by 1%	Functional currency strengthens by 1%	Functional currency weakens by 1%
Impact on profit / (loss) for the year				
USD	1.76	(1.76)	1.38	(1.38)
EUR	0.34	(0.34)	0.50	(0.50)
Impact on equity				
USD	36.47	(36.47)	19.60	(19.60)
EUR	2.05	(2.05)	3.31	(3.31)

B. Interest Rate Risk Management

Interest rate risk arises from movements in interest rates which could have effects on the group's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

The group manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings. The group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed principal amount outstanding at the time of inception of the swap. Out of the total long term borrowings, the amount of fixed interest loan is ₹ 898.62 Crores and floating interest loan is ₹ 1,531.65 Crores (Previous year : Fixed interest loan ₹ 995.04 Crores and Floating interest loan ₹ 2,096.36 Crores)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate long term borrowings, as follows:

	Year ended March 31, 2021		Year ended March 31, 2020	
	₹ loans interest rate decreases by 0.50%	Foreign currency loans interest rate decreases by 0.15%	₹ loans interest rate decreases by 0.50%	Foreign currency loans interest rate decreases by 0.15%
Increase in profit before tax by	2.85	1.44	1.48	2.70

In case of increase in interest rate by above mentioned percentage, there would be a comparable negative impact on the profit before tax as mentioned above.

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for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to USD-LIBOR and EUR-IBOR on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition. The management monitors the Group's transition to alternative rates. The management evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are linked to USD LIBOR. Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness.

Some of the Group's existing USD LIBOR cash flow hedging relationships extend beyond the anticipated cessation date for USD LIBOR. The Group will apply the amendments to Ind AS 109 issued via Companies (Indian Accounting Standards) Amendment Rules, 2020 issued by the Ministry of Corporate Affairs on July 24, 2020, to those hedging relationships directly affected by IBOR reform, as applicable.

Refer below for details regarding interest rate swaps.

Interest Rate Swap Contracts

Under interest rate swap (IRS) contracts, the group agrees to exchange the difference between fixed and floating rate interest amounts calculated on the agreed notional principal amounts. Such contracts enables the group to mitigate the risk of changing interest rates.

The following table details the IRS contracts outstanding at the end of the reporting period:

Outstanding Contracts	No of Deals		Contract Value of Foreign Currency (In Millions)		Maturity			
					Up to 12 months Nominal Amount*		More than 12 months Nominal Amount*	
					(₹ Crores)		(₹ Crores)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
IRS Contracts*	4	3	31.05	15.05	85.49	26.71	141.68	86.99

Each of the above trades are in the nature of cash flow hedges and are effective hedges. The mark to market on these trades is therefore routed through Cash flow Hedge Reserve. The interest rate swap and the interest payments on the loan are paid simultaneously and are charged to statement of profit and loss.

*Sensitivity on the above IRS contracts in respect of interest rate exposure is insignificant

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for the year ended March 31, 2021

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C. Hedge accounting

Cash flow hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2021			Year ended March 31, 2021	As at March 31, 2020			Year ended March 31, 2020
	Nominal amount (₹ Crores)	Carrying amount Assets / (liabilities) (₹ Crores)	Line item where the hedging instrument is included		Nominal amount (₹ Crores)	Carrying amount Assets / (liabilities) (₹ Crores)	Line item where the hedging instrument is included	
Foreign exchange contracts	4677.87	85.54	Other financial assets / liabilities (current and non - current)	151.16	2,224.80	(65.62)	Other financial assets / liabilities (current and non - current)	(88.50)
Foreign currency denominated loans	1055.91	(1,055.91)	Non-current/ current borrowings	(1.27)	955.86	(955.86)	Non-current borrowing	(65.90)
		1.01	Other financial assets (current and non - current)	1.01		-	Other financial assets (current and non - current)	
Interest rate swap contacts	227.17	(0.54)	Other financial liabilities (current and non - current)	1.88	113.70	(2.42)	Other financial liabilities (current and non - current)	(6.14)

Fair Value hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2021			Year ended March 31, 2021	As at March 31, 2020			Year ended March 31, 2020
	Nominal amount (₹ Crores)	Carrying amount Assets / (liabilities) (₹ Crores)	Line item where the hedging instrument is included		Nominal amount (₹ Crores)	Carrying amount Assets / (liabilities) (₹ Crores)	Line item where the hedging instrument is included	
Foreign exchange contracts	-	4.39	Other financial assets / liabilities (current and non - current)	6.89	192.01	(2.50)	Other financial assets / liabilities (Current and Non - current)	(3.13)

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Movement of cash flow hedging reserve and cost of hedging reserve :

Particulars	Cash flow hedging reserve		Cost of hedging reserve	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Opening Balance	(78.56)	24.39	-	-
Changes in the spot element of the forward contracts which is designated as hedging instruments for time period related hedge	8.59	-	-	-
Changes in the forward element of the forward contracts where changes in spot element of forward contract is designated as hedging instruments for time period related hedges	-	-	7.74	-
Changes in fair value of forward contracts designated as hedging instruments	130.71	(88.49)	-	-
Changes in fair value of interest rate swaps	2.89	(6.14)	-	-
Amount reclassified to profit or loss (Foreign exchange (gain) / loss)	3.12	-	(4.28)	-
Amount arising from remeasurement of financial liability	(12.98)	(65.90)	-	-
Taxes related to above	(46.24)	57.58	(0.33)	-
Closing Balance	7.53	(78.56)	3.13	-

40.3.2 Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables, loans and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Investments of surplus funds are made only with counterparties who meet the parameters specified in Investment Policy of the groups. The investment policy is reviewed by the group's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as to minimize the concentration of risks and therefore mitigate financial loss due to counterparty's potential failure.

Expected credit loss on financial assets:

To manage credit risk for trade receivables, the group establishes credit approvals and credit limits, periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets other than as detailed below.

Loss allowance for the following financial assets have been recognised by the group:

	Note No.	As at March 31, 2021	As at March 31, 2020
Loans - current	8	2.74	2.74
Trade receivables	13	5.03	3.61
		7.77	6.35

Movement of loss allowance :

	Loans (current and non current)	Trade receivables
As at March 31, 2019	2.81	2.49
Provided during the year	0.17	1.88
Reversed/ utilised during the year	(0.24)	(0.76)
As at March 31, 2020	2.74	3.61
Provided during the year	0.24	11.70
Reversed/ utilised during the year	(0.24)	(10.28)
As at March 31, 2021	2.74	5.03

Other than financial assets mentioned above, none of the group's financial assets are impaired, as there are no indications that defaults in payments obligation would occur.

40.3.3 Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the group to meet its financial obligations. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of money market instruments, bank overdrafts, bank loans, debentures and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director, Chief Financial Officer and Treasury Head. The group assesses the concentration of risk with respect to refinancing its debt, guarantee given and funding of its capital expenditure according to needs of the future. The group manages its liquidity by holding appropriate volumes of liquid assets which are available for its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyse the group's financial liabilities into relevant maturity profiles based on their contractual maturities:

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	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2021				
Borrowings*	1,477.41	1,806.11	214.67	3,498.19
Lease Liabilities**	19.30	53.85	53.68	126.83
Trade payables	1,585.19	-	-	1,585.19
Other financial liabilities	432.29	0.54	-	432.83
	3,514.19	1,860.50	268.35	5,643.04
	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2020				
Borrowings*	1,818.32	2,096.42	280.67	4,195.41
Lease Liabilities**	20.06	57.23	65.09	142.38
Trade payables	1,111.69	-	-	1,111.69
Other financial liabilities	344.79	22.87	-	367.66
	3,294.86	2,176.52	345.76	5,817.14

*including current maturity of non-current borrowings and future cash outflow towards estimated interest on non-current borrowings.

**including future cash outflow towards estimated interest on lease liabilities.

41. Contract Balances

The following table provides information about contract assets and contract liabilities from contracts with customers

Contract assets	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	-	25.52
Increase as a result of changes in measure of progress	-	-
Transfer from contract assets recognised at the beginning of the year to receivables	-	25.52
	-	-
Contract liability	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	12.68	16.69
Revenue recognised that was included in the contract liability balance at the beginning of the period	(12.68)	(16.69)
Increase due to cash received, excluding the amount recognised as revenue during the period	18.40	12.68
	18.40	12.68

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42. Non - current assets held for sale and Discontinued operation

A. Engineering Plastics Business

(a) Description

On May 11, 2019, the Company entered into a business transfer agreement for sale of its Engineering Plastics Business, which has been divested with effect from August 1, 2019. The business was reported under "Others segment" in accordance with the requirements of Ind AS 108 – "Operating Segments" in the financial statements till the year prior to the previous year. The relevant financial information of the said business has been disclosed under discontinued operations in terms of Ind AS 105- "Non-current assets held for sale and discontinued operations" as below:

(b) Financial performance and cash flow information

Sl. no.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
I (a)	Sale of Products	-	74.87
(b)	Other operating Revenues	-	0.26
(c)	Revenue from operations {I(a)+I(b)}	-	75.13
(d)	Other income	-	-
(e)	Total income {I(c)+I(d)}	-	75.13
(f)	Total expenses	-	67.05
(g)	Profit before tax for the period from discontinued operations {I(e)-I(f)}	-	8.08
(h)	Tax expense related to discontinued operations	-	2.82
(i)	Net Profit after tax for the period from discontinued operations {I(g)-I(h)}	-	5.26
II (a)	Profit before tax on disposal of discontinued operations	-	233.74
(b)	Tax expense related to disposal of discontinued operations	-	58.41
(c)	Net Profit after tax on disposal of discontinued operations {II(a)-II(b)}	-	175.33
III	Net Profit after tax for the period from discontinued operations {I(i)+II (c)}	-	180.59
IV	Net cash generated from operating activities	-	17.29
V	Net cash generated from / (used in) investing activities	-	268.92
VI	Net cash used in financing activities	-	(0.14)

(c) Revenue from major products

	Year ended March 31, 2021	Year ended March 31, 2020
Nylon/ PBT/ PC compounding chips	-	74.87

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(d) Details of disposal of discontinued operations:

	Year ended March 31, 2021	Year ended March 31, 2020
Proceeds from sale of business	-	315.77
Carrying amount of net assets transferred	-	(76.32)
Costs incurred on sale of business	-	(5.71)
Profit before tax on disposal of discontinued operations	-	233.74
Tax expense related to disposal of discontinued operations	-	(58.41)
Net Profit after tax on disposal of discontinued operations	-	175.33

(e) The carrying amounts of assets and liabilities as at the date of sale were as follows:

	As at July 31, 2019
Property, plant and equipment	44.86
Goodwill	0.79
Intangible assets	0.22
Inventory	25.07
Trade receivables	25.27
Other assets	0.42
Total assets	96.63
Trade payables	(19.59)
Other liabilities and provisions	(0.72)
Total liabilities	(20.31)
Net assets transferred	76.32

B. Technical Textiles Business of SRF Industries(Thailand) Limited

(a) Description

SRF Industries(Thailand) Limited closed its Technical Textiles Business operations located at Rayong, Thailand w.e.f. October 21, 2019. The business was reported as part of Technical Textiles Business as per requirements of Ind AS 108 – “Operating Segments” in the consolidated financial results till last year. The financial information of the said business have been classified as Discontinued Operations as per requirements of INDAS 105 - “Non -current assets held for sale and discontinued operations”. The relevant assets and liabilities have been recognised at estimated fair value and all future realizations / settlements of said assets / liabilities will continue to be shown under discontinued operations. The particulars of said discontinued operations are as under:

(b) Financial performance and cash flow information

Sl. no.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
I (a)	Sale of Products	-	133.59
(b)	Other operating Revenues	2.26	0.52
(c)	Total revenue from operations {I(a)+I(b)}	2.26	134.11
(d)	Other income	6.22	1.81
(e)	Total income {I(c)+I(d)}	8.48	135.92

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Sl. no.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(f)	Total expenses excluding point no.(g)	11.21	151.60
(g)	Impact on account of fair value measurement loss / (gain) on assets/liabilities	-	70.29
(h)	Profit / (loss) before tax from discontinued operations {I(e)-I(f)-I(g)}	(2.73)	(85.97)
(i)	Tax expense / (gain) related to discontinued operations	(2.42)	(8.57)
II	Net Profit / (loss) after tax from discontinued operations{1(h)-I(i)}	(0.31)	(77.40)
III	Net cash generated from operating activities	(1.64)	(4.11)
IV	Net cash generated from investing activities	17.91	(2.56)
V	Net cash used in financing activities	(0.06)	(0.55)

(c) Revenue from major products

	Year ended March 31, 2021	Year ended March 31, 2020
Nylon tyre cord fabric/ Polyester tyre cord fabric / Belting fabric	-	133.59

(d) Assets classified as held for sale

	As at March 31, 2021	As at March 31, 2020
Property plant and equipment	-	11.84

C. Pursuant to requirements of Ind AS 105, the amounts in the consolidated statement of profit and loss (and related notes) for the current year and the previous year have been presented for continuing operations, as applicable unless otherwise stated.

43. Leases

The group leases various types of assets including land, buildings and Plant & Machinery. Information about leases for which the group is a lessee is presented below.

Right-of-use assets	Land*	Buildings	Plant and equipment	Total
Cost				
Balances at April 1, 2019	141.57	43.96	21.67	207.20
Additions/adjustments	13.89	1.02	28.96	43.87
Disposals/adjustments	(7.42)	-	-	(7.42)
Balance at March 31,2020	148.04	44.98	50.63	243.65
Additions/adjustments	3.25	2.13	1.86	7.24

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Right-of-use assets	Land*	Buildings	Plant and equipment	Total
Disposals/adjustments	-	(0.86)	(2.60)	(3.46)
Balance at March 31, 2021	151.29	46.25	49.89	247.43
Accumulated amortisation				
Balances at April 1, 2019	-	-	-	-
Depreciation expenses	1.54	6.76	8.44	16.74
Disposals/adjustments	(0.67)	-	-	(0.67)
Balances at March 31, 2020	0.87	6.76	8.44	16.07
Depreciation expenses	1.68	7.07	9.31	18.06
Disposals/adjustments	-	(0.86)	(2.60)	(3.46)
Balance at March 31, 2021	2.55	12.97	15.15	30.67
Net block				
Balance at March 31, 2020	147.17	38.22	42.19	227.58
Balance at March 31, 2021	148.74	33.28	34.74	216.76

*The execution of lease deed of land in respect of 11,49,550 sq. mtrs. (Previous year : 11,49,550 sq. mtrs) of leasehold land allotted to the group by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

Lease liabilities included in the Balance Sheet	As at March 31, 2021	Year ended March 31, 2020
Current	13.80	13.71
Non-current	63.83	73.98

The average incremental borrowing rate applied to lease liabilities during the year ranges from 6.50% to 8.00% (Previous year: 8%)

Amounts recognised in Statement of Profit and Loss	Year ended March 31, 2021	As at March 31, 2020
Interest on lease liabilities	6.49	6.70
Depreciation expense	18.06	16.74
Expenses relating to short-term leases and leases of low-value assets (Refer note 30)	17.92	14.78

Amounts recognised in Cash Flow Statement	Year ended March 31, 2021	As at March 31, 2020
Total cash outflow for leases	20.19	18.87

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44. Group Information

Name	Principal activities	Country of incorporation	% equity interest	
			March 31, 2021	March 31, 2020
SRF Holiday Home Limited	Development and lease of Industrial, commercial and residential complexes	India	100%	100%
SRF Employees Welfare Trust (Controlled Trust)	Implementation and operationalisation of long term incentive plans of the Company	India	*	*
SRF Global BV	Investment company	Netherlands	100%	100%
SRF Flexipak (South Africa) (Pty) Limited (subsidiary of SRF Global BV)	Manufacture of BOPP and metallized BOPP films	Republic of South Africa	100%	100%
SRF EUROPE Kft (subsidiary of SRF Global BV)	Manufacture of Polyester film and metallized Polyester film	Hungary	100%	100%
SRF Industries (Thailand) Limited (subsidiary of SRF Global BV)	Manufacture of Tyre cord fabric, Polyester film and metallized Polyester film & trading of chemical products	Thailand	100%	100%
SRF Industex Belting (Pty) Limited (subsidiary of SRF Global BV)	Trading of chemical products	Republic of South Africa	100%	100%

*By virtue of management control.

45. Additional information as required by Paragraph 2 of General Instructions for preparation of consolidated financial statements to the Schedule III to the Companies Act, 2013

Name of the entity in the Group	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 (₹ Crores)	As % of consolidated Share in profit or loss	Amount (₹ Crores)	As % of consolidated other comprehensive income	Amount (₹ Crores)	As % of total consolidated comprehensive income	Amount (₹ Crores)
I Parent - SRF Limited	92%	6,295.27	77%	925.06	69%	88.28	76%	1,013.34
II Subsidiaries:								
A Indian								
1 SRF Holiday Home Limited	-	3.75	-	0.01	-	-	-	0.01

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Name of the entity in the Group	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 (₹ Crores)	As % of consolidated Share in profit or loss	Amount (₹ Crores)	As % of consolidated other comprehensive income	Amount (₹ Crores)	As % of total consolidated comprehensive income	Amount (₹ Crores)
2 SRF Employees Welfare Trust (Controlled Trust)	-	*	-	**	-	-	-	**
B. Foreign								
1 SRF Global BV (Consolidated)	10%	655.47	23%	273.45	31%	39.22	24%	312.67
Adjustments arising out of consolidation	(2%)	(98.07)	-	(0.58)	-	-	-	(0.58)
Total	100%	6,856.42	100%	1,197.94	100%	127.50	100%	1,325.44
Non-controlling Interests in all subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

*Amount in absolute ₹ 23, 373 (Previous year - ₹ 35,957)

**Amount in absolute ₹ (13,234) (Previous year - (7,426))

[^]Includes discontinued operations

46. Additional Disclosures

(a) Research and Development Expenditure

The details of research and development expenditure of ₹110.50 crores (Previous Year - ₹ 132.77 crores) included in these financials statements are as under:

Contract assets	Year ended March 31, 2021	Year ended March 31, 2020
Capital expenditure	13.46	33.09
Revenue expenditure	97.04	99.68
	110.50	132.77

The details of revenue expenditure incurred on research and development is as below:

Contract assets	Year ended March 31, 2021	Year ended March 31, 2020
Cost of material consumed	2.73	1.51
Salaries and wages, including Bonus	42.97	37.85
Contribution to provident and other funds	2.61	2.45
Workmen and staff welfare expenses	2.72	3.62
Stores and spares consumed	6.11	6.15
Power and fuel	4.84	7.74

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Contract assets	Year ended March 31, 2021	Year ended March 31, 2020
Rent	-	0.04
Repairs and maintenance		
- Plant and machinery	8.32	10.86
- Others	0.58	1.26
Insurance	0.96	0.87
Rates and taxes	0.07	0.04
Travelling and conveyance	0.16	1.27
Legal and professional charges	3.58	3.95
Depreciation and amortisation expense	18.33	19.09
Interest cost	0.28	0.36
Miscellaneous expenses	2.78	2.62
	97.04	99.68

(b) Managerial Remuneration

(i) (a) Remuneration to Chairman / Managing Director / Deputy Managing Director / Whole time Director	Year ended March 31, 2021	Year ended March 31, 2020
Salary and contribution to provident and other funds	12.04	11.05
Value of perquisites	2.36	2.26
Commission	12.00	9.50
SUB-TOTAL	26.40	22.81

(b) Remuneration to Non Executive Directors

Commission	0.84	0.72
Directors sitting fees	0.27	0.21
Other fees	0.14	0.12
SUB-TOTAL	1.25	1.05
TOTAL	27.65	23.86

- (c) The Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13 AA of Ind AS 101. Accordingly, exchange loss/ (gain) arising on all long term monetary items financed or re-financed on or before March 31, 2016 relating to acquisition of following depreciable assets are added to/ adjusted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of such assets.

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Exchange loss/ (gain) added/ (adjusted)	Year ended March 31, 2021	Year ended March 31, 2020
Property, plant and equipment		
- Roads	(0.52)	0.66
- Buildings	(6.98)	8.86
- Plant and equipment	(31.59)	61.44
- Furniture and fixtures	(0.14)	0.18
- Office equipment	(0.01)	0.03
	(39.24)	71.17
Other Intangible Assets		
- Trade marks/ Brands	-	0.33
- Technical knowhow	-	0.19
- Others	-	0.09
	-	0.61

The cumulative exchange loss/ (gain) added/ (adjusted) and remaining unamortised as at March 31, 2021 is ₹ 259.14 Crores (Previous year: ₹ 299.84 Crores).

(d) Disclosure on corporate social responsibility expense:

	Year ended March 31, 2021	Year ended March 31, 2020
(i) Prescribed CSR expenditure as per Section 135 of the Companies Act, 2013	12.88	11.63
(ii) Amount approved by the Board to be spent during the year	12.88	12.00
(iii) Actual amount spent during the year on purposes other than construction / acquisition of an asset (Also Refer note 35.2)	10.18	12.00
Details of expenditure:		
- In respect of ongoing projects (Rural education and skill programme) :		
a) Amount required to be spent during the year	7.00	-
b) Actual amount spent during the year from company's bank account	4.30	-
c) Remaining unpaid at the end of the year with the company*	2.70	-
- In respect of other than ongoing projects:		
a) Amount required to be spent during the year	5.88	11.63
b) Actual amount spent during the year from company's bank account	5.88	12.00

*Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the unspent amount has been subsequently deposited in a "Unspent CSR Account".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

- (e) The Code of Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once its effective.
- (f) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2021 is to be conducted on or before due date of the filing of return and the Company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

As per our report attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W/W-100022

Kaushal Kishore

Partner
Membership No.: 090075
Place : Delhi
Date : May 21, 2021

For and on behalf of the Board of Directors

Ashish Bharat Ram

Managing Director
DIN - 00671567
Place : Delhi
Date : May 05, 2021

Kartik Bharat Ram

Deputy Managing Director
DIN - 00008557
Place : Delhi
Date : May 05, 2021

Bharti Gupta Ramola

Director
DIN - 00356188
Place : Gurugram
Date : May 05, 2021

Rahul Jain

President & CFO
Place : Gurugram
Date : May 05, 2021

Rajat Lakhanpal

Vice President
(Corporate Compliance) and
Company Secretary
Place : Delhi
Date : May 05, 2021

Statement pursuant to first proviso to sub section(3) of section 129 of Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in prescribed form AOC-1 relating to subsidiaries/associates companies/joint ventures

A Statement showing salient features of the financial statements of subsidiaries
Indian Subsidiaries

Sl. No.	Name of the subsidiary	SRF Holiday Home Limited (₹ Crores)
(a)	Reporting Period	April 1, 2020 to March 31, 2021
(b)	Date since when subsidiary was acquired/formed	30.01.2008
(c)	Reporting Currency	INR
(d)	Exchange Rate	-
(e)	Share Capital	4.00
(f)	Reserves and Surplus	(0.25)
(g)	Total Assets	3.77
(h)	Total Liabilities(external liabilities)	0.02
(i)	Investment	-
(j)	Turnover	-
(k)	Profit/(Loss) Before Taxation	0.006
(l)	Tax expense / (income)	-
(m)	Profit/(Loss) After Taxation	0.006
(n)	Proposed Dividend	-
(o)	% of shareholding	100%

Foreign Subsidiaries

Sl. No.	Name of the subsidiary	SRF Global BV [#]		SRF Flexipak (South Africa) (Pty) Limited [#]	
		(subsidiary of SRF Limited)		(subsidiary of SRF Global BV)	
		USD	₹ Crores	Rand	₹ Crores
(a)	Reporting Period	April 1, 2020 to March 31, 2021		April 1, 2020 to March 31, 2021	
(b)	Date since when subsidiary was acquired/formed	20.10.2008		26.10.2011	
(c)	Reporting Currency	USD		Rand	
(d)	Exchange Rate	73.15		4.95	
(e)	Share Capital	1,83,15,664	133.98	100	0.00
(f)	Reserves and Surplus	(2,39,06,808)	(174.88)	32,01,56,159	158.48
(g)	Total Assets	8,80,46,910	644.06	84,93,71,682	420.44
(h)	Total Liabilities(external liabilities)	9,36,38,054	684.96	52,92,15,423	261.96
(i)	Investment	*	*	-	-
(j)	Turnover	-	-	1,06,39,26,332	526.64
(k)	Profit/(Loss) Before Taxation	(7,27,698)	(5.32)	29,79,03,724	147.46
(l)	Tax expense / (income)	-	-	8,35,44,614	41.35
(m)	Profit/(Loss) After Taxation	(7,27,698)	(5.32)	21,43,59,110	106.11
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

[#]Investment in subsidiary USD 1,13,23,713 (Equivalent to ₹ 82.83 crores)

Sl. No.	Name of the subsidiary	SRF Industries (Thailand) Limited [#]		SRF Industex Belting (Pty) Limited [#]	
		(subsidiary of SRF Global BV)		(subsidiary of SRF Global BV)	
		THB	₹ Crores	Rand	₹ Crores
(a)	Reporting Period	April 1, 2020 to March 31, 2021		April 1, 2020 to March 31, 2021	
(b)	Date since when subsidiary was acquired/formed	08.09.2008		13.06.2008	
(c)	Reporting Currency	THB		Rand	
(d)	Exchange Rate	2.34		4.95	
(e)	Share Capital	10,00,00,300	23.40	1,33,20,202	6.59
(f)	Reserves and Surplus	2,12,39,30,026	497.00	(4,96,18,394)	(24.56)
(g)	Total Assets	6,49,96,28,366	1,520.91	1,22,77,712	6.08
(h)	Total Liabilities(external liabilities)	4,27,56,98,040	1,000.51	4,85,75,904	24.05
(i)	Investment	-	-	-	-
(j)	Turnover	3,21,51,27,643	752.34	64,17,635	3.18
(k)	Profit/(Loss) Before Taxation	88,66,33,414	207.47	99,64,911	4.93
(l)	Tax expense / (income)	(15,29,107)	(0.36)	-	-
(m)	Profit/(Loss) After Taxation	88,81,62,521	207.83	99,64,911	4.93
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

Sl. No.	Name of the subsidiary	SRF Europe Kft [#]	
		(subsidiary of SRF Global BV)	
		EURO	₹ Crores
(a)	Reporting Period	April 1, 2020 to March 31, 2021	
(b)	Date since when subsidiary was acquired/formed	25.04.2018	
(c)	Reporting Currency	EURO	
(d)	Exchange Rate	85.78	
(e)	Share Capital	10,10,000	8.66
(f)	Reserves and Surplus	(1,43,167)	(1.23)
(g)	Total Assets	9,99,58,743	857.45
(h)	Total Liabilities(external liabilities)	9,90,91,910	850.01
(i)	Investment	-	-
(j)	Turnover	2,23,40,346	191.64
(k)	Profit/(Loss) Before Taxation	(9,93,819)	(8.52)
(l)	Tax expense / (income)	8,141	0.07
(m)	Profit/(Loss) After Taxation	(10,01,960)	(8.59)
(n)	Proposed Dividend	-	-
(o)	% of shareholding	100%	

[#]The financial statements of these foreign subsidiaries have been converted into Indian Rupees on the basis of following exchange rates:

(i)	1 USD = ₹ 73.15
(ii)	1 Baht = ₹ 2.34
(iii)	1 Rand = ₹ 4.95
(iv)	1 Euro = ₹ 85.78

B Statement containing salient features of the financial statements of associates companies/ joint ventures

Name of Associate Companies/Joint Ventures[#]	Malanpur Captive Power Ltd.	Vaayu Renewable Energy(Tapti) Pvt. Ltd.
Latest audited Balance Sheet date	31.03.2020	31.03.2020
Date on which the Associate was associated or acquired	09.01.2007	29.05.2013
Shares of associate held by the company on the year end (Number of shares)	42,21,535	50,000
Amount of investment in Associate Companies	4.22	0.05
Extent of holding (%)	22.60%	26.32%
Description of how there is significant influence	Due to control of at least 20% of total share capital as envisaged in Sec. 2(6) of the Companies Act, 2013	Due to control of at least 20% of total share capital as envisaged in Sec. 2(6) of the Companies Act, 2013
Reason why the associate company is not consolidated	*	*
Net worth attributable to shareholding as per latest Audited Balance Sheet	(7.10)	12.30
Profit & loss for the year		
(i) Considered in Consolidation	Nil	Nil
(ii) Not considered in Consolidation	(0.29)	0.50

[#] The company has no joint venture

*Investment in both these group captive power companies are held by the company as a consumer in accordance with the requirements of the Electricity Act, 2005. The company does not exercise significant influence as defined under IND AS over these companies and therefore their annual accounts are not consolidated with the annual accounts of the company.

For and on behalf of the Board of Directors

Ashish Bharat Ram
Managing Director
DIN - 00671567
Place : Delhi
Date : May 05, 2021

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557
Place : Delhi
Date : May 05, 2021

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram
Date : May 05, 2021

Rahul Jain
President & CFO
Place : Gurugram
Date : May 05, 2021

Rajat Lakhnpal
Vice President
(Corporate Compliance) and
Company Secretary
Place : Delhi
Date : May 05, 2021

NOTES

**Registered Office**

Unit No. 236 & 237, 2nd Floor, DLF Galleria, Mayur Place,
Noida Link Road, Mayur Vihar Phase - I Extn., Delhi, India - 110 091
Tel.: +91-11- 49482870

Corporate Office

Block - C, Sector - 45, Gurugram, Haryana, India - 122 003
Tel.: +91-124-4354400

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ANNUAL REPORT 2019-20



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COMPANY INFORMATION

Auditors

M/s B S R & Co. LLP,
Chartered Accountants

President & CFO

Rahul Jain

Vice President (Corporate Compliance) & Company Secretary

Rajat Lakhnpal

Bankers

- ICICI Bank
- State Bank of India
- Standard Chartered Bank
- Citibank NA
- DBS Bank India Limited
- HDFC Bank
- Kotak Mahindra Bank
- HSBC
- Axis Bank
- Yes Bank
- MUFG Bank Limited
- Sumitomo Mitsui Banking Corporation
- Mizuho Bank Limited
- IDFC Bank
- BNP Paribas

Registered Office

(CIN: L18101DL1970PLC005197)
Unit Nos. 236 & 237, 2nd Floor,
DLF Galleria, Mayur Place,
Noida Link Road, Mayur Vihar
Phase I Extension,
Delhi, India - 110 091
Tel: +91-11- 49482870

Corporate Office

Block - C, Sector - 45,
Gurugram - 122 003,
Haryana, India
Email: info@srf.com
www.srf.com



MESSAGE FROM THE CHAIRMAN



On the business front, your company performed well and achieved several milestones in FY 2019-20

Dear Shareholders,

As I sit down to pen my message for the Annual Report FY 2019-20 at a desk in my home, I am reminded of a quote by one of India's most revered poets, Rabindranath Tagore, *"You can't cross the sea merely by standing and staring at the water."* Staying resilient and agile in difficult situations is the only way we can respond efficaciously and adapt to changing times swiftly.

With the COVID-19 pandemic paralyzing the world and causing disruption to the magnitude never experienced before, your company quickly shifted focus on safeguarding the safety and well-being of employees, ensuring business continuity while considering all the relevant guidelines, and supporting the community we live and operate in. Driven by a strong belief that an organization's strength is in its employees, your company announced that there will be no job losses due to the COVID-19 situation at SRF.

Creating Value: The SRF Way

On the business front, your company performed well and achieved several milestones in FY 2019-20, despite the dynamic domestic and global macro-economic challenges. Viewed from a financial lens, your company achieved a 55% increase in profit after tax at ₹916 crore compared to ₹592 crore last year. Your company's revenue for the year stood at ₹7,209 crore as against ₹7,100 crore in the previous year, recording an overall growth of 2%. This growth was primarily on account of strong performance reported in the Chemicals Business and the Packaging Films Business. While we saw challenges in our Technical Textiles Business due to the auto sector slowdown and an overall sluggish pace of economic activity, we have, however, over the years built a

robust multi-business entity, which holds us in good stead. Strategic innovations across businesses, backed by strong R&D team have helped the company effectively face such external uncertainties.

Coming to our specific Businesses, I would like to talk about some of the milestones achieved by each of our business segments in FY 2019-20.

In the Fluorochemicals Business, we commissioned multiple facilities during the year that enhanced our HFC capacities further. We view this as a key expansion for the company that will drive growth from this segment in the coming years. I am also proud that R-467A, a drop-in substitute for F-22 that our R&D team developed in-house, received certification by the American Society of Heating, Refrigeration and Air-Conditioning Engineers, commonly referred to as ASHRAE. It is the first-ever refrigerant gas from India to receive this certification. An approval by ASHRAE is testimony to the fact that SRF is at the forefront of major fluorine-based gas transitions set by international regulations to reduce the global emissions of greenhouse gases. During the year, the Business also announced the setting up of an integrated Polytetrafluoroethylene (PTFE) plant along with an R 22 plant as feedstock. With this, your company is all set to enter the Fluoro polymer space, a new business segment and further enhance our value chain in the Fluorine segment. The overall performance of our Fluorochemicals Business was stable during the year despite prolonged and severe slowdown in the auto and white goods sector, leading to a low demand of refrigerants. However, the volumes of Chloromethanes contributed positively to the overall revenues of the Business.

Given the COVID-19 impact on various industries, we expect the demand for refrigerants from OEMs to remain low in the near-term. Having said that, I am confident of the growth momentum reviving and your company is well positioned to leverage on our existing facilities to deliver superior performance in the future.

The Specialty Chemicals Business has done very well during the year and increased the capacities of most of its flagship products. Moreover, the Business has made significant advances to improve the overall efficiencies in all new products, with a focus on running all the plants to maximum capacities and debottlenecking them as the need arises. A healthy demand from both the agrochemical and pharma segments has been encouraging and with the right investments that your company has made in this Business, we are ready to seize all opportunities that arise in the future. At the beginning of the year, we had projected an outlook of 40-50% revenue increase in the Specialty Chemicals Business. I am happy to share that our overall revenues for the Business are in excess of ₹1,650 crore, which is higher than what we had indicated.

In addition, the Business is working on sustainability with a more determined effort to reduce our carbon footprint as well as use less water in our processes. Overall, we continue to be optimistic that new product opportunities will emerge in both the agrochemical and pharma segments and exhibit a positive trajectory for the Business, and we expect to report a healthy performance in FY 2020-21 as well.

The Packaging Films Business has had a good year. Our continued strides towards maximizing contribution by keeping costs under control, improving the product mix and working towards sustainability initiatives is what sets us apart. Both the BOPET and BOPP films segments delivered steady returns to the overall performance. During the year, your company announced the setting up of a BOPP film line in Thailand, making it our third BOPP line, with facilities in South Africa, Indore and now Thailand.

Sustainability initiatives remain one of our top priorities, going forward. The Government of India is working aggressively on reducing the use of 'Single-Use Plastics'. This directive pertains to the use of single-use plastic products such as plastic plates, cutlery, straw, plastic beverage bottles, etc. Our products do not cater to any of these end use products and multi layered packaging is not a part of the definition of single use plastics. With the help of our in-house R&D, we will continue working out processes that enable us to use more recycled chips in our film production.

As stated earlier, the performance of the Technical Textiles Business (TTB) was subdued due to a sluggish domestic demand. However, the Business continued to focus on enhancing the operational excellence parameters at all its plant locations through cost saving and energy efficient methodologies.

During the year, we also announced the closure of the TTB plant at Rayong, Thailand as it was becoming economically unviable to continue running the plant. While these measures are difficult, they are also necessary to enhance competitiveness.

In Coated Fabrics, your company continues to maintain price and volume leadership in the domestic market. By adding textile capacity on a regular basis, we have not only increased our share but also made ourselves more competitive. The Laminated Fabrics segment has also seen an increase in the sales volume on a year-on-year basis in an over-supplied market. This is despite a lot of States banning the use of flex material as a signage solution.

You would remember that in May 2019, the company had announced the sale of its Engineering Plastics Business to DSM India. The closing conditions of the transition were completed in the second quarter of FY 2019-20 and the sale of the Business has now been achieved.

Before I close, I want to reiterate that your company cares deeply for its people and the communities in which

we operate. We have an important role to play during the COVID-19 crisis and commit ourselves to support the communities, especially the migrant workers who have lost their livelihood, as well as the authorities who are fighting tirelessly against the spread of coronavirus. SRF Foundation, the corporate social responsibility arm of SRF Limited is working to provide emergency response through the distribution of family essential kits, kits for frontline workers and hospital support material. Additionally, the team of SRF Foundation is working with their partners to support the education and learning needs of children across our intervention schools by bridging the digital divide through innovative methods.

In conclusion, I am confident of our growth potential and business opportunities that each of our segments exhibit. As the domestic and international operating environment improves gradually, I am optimistic of a healthy performance. This is possible due to our investments in world-class infrastructure, competent resources, superior R&D capabilities and a strong adherence to safety protocols, which is a cornerstone of our sustainability endeavors. I am also confident of creating sustained value for all our stakeholders as we progressively step into FY 2020-21.

On behalf of the Board of Directors of SRF Limited, I want to thank all employees of SRF and the management team for your hard work. I would also like to thank the investors and shareholders for your continued trust, confidence, and support.

Sincerely,



Arun Bharat Ram
Chairman

BOARD OF DIRECTORS



Arun Bharat Ram
Chairman



Ashish Bharat Ram
Managing Director



Kartik Bharat Ram
Dy. Managing Director



Pramod G. Gujarathi
Director – Safety & Environment



Dr. Meenakshi Gopinath
Director – CSR



Lakshman Lakshminarayan
Independent Director



Vellayan Subbiah
Independent Director



Tejpreet S Chopra
Independent Director



Bharti Gupta Ramola
Independent Director



Puneet Yadu Dalmia
Independent Director



Yash Gupta
Independent Director



Chemicals Business : Plants

- Village & P.O. Jhiwana, Tehsil Tijara, Distt. Alwar - 301 018, Rajasthan
- D II/I GIDC, PCPIR, Phase II, Tal. Vagra, Village Dahej, Distt. Bharuch - 392 130, Gujarat



Technical Textiles Business : Plants

- Manali Industrial Area, Manali, Chennai - 600 068, Tamil Nadu
- Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi, Distt. Thiruvallur - 601 201, Tamil Nadu
- Viralimalai, Distt. Pudukottai - 621 316, Tamil Nadu
- Industrial Area, Malanpur, Distt. Bhind - 477 116, Madhya Pradesh



Packaging Films Business : Plants

- Plot No. 12, Rampura, Ramnagar Road, Kashipur, Distt. Udham Singh Nagar - 244 713, Uttarakhand
- Plot Nos. C 1-8, C 21-30, Sector 3, Indore Special Economic Zone, Pithampur, Distt. Dhar - 454 775, Indore - Madhya Pradesh
- Plot No. 675, Industrial Area, Sector 3, Village Bagdoon, Pithampur, Distt. Dhar - 454 775, Indore - Madhya Pradesh



Other Businesses : Plants

- Coated Fabrics Business, Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi, Distt. Thiruvallur - 601 201, Tamil Nadu
- Laminated Fabrics Business, Unit No. 2, Plot 12, Rampura Road, Kashipur, Distt. Udham Singh Nagar - 244 713, Uttarakhand

SRF Limited

(CIN: L18101DL1970PLC005197)

Regd. Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place,
Mayur Vihar Phase I Extn, Delhi – 110091

Tel. No: (+91-11) 49482870, (+91-124) 4354400, Fax: (+91-11) 49482900, (+91-124) 4354500

Email: cs@srf.com, Website: **www.srf.com**

NOTICE

Notice is hereby given that the **49th Annual General Meeting** of SRF Limited will be held on **Monday, August 17, 2020** at 11.00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the standalone and consolidated audited financial statements of the Company for the financial year ended March 31, 2020 along with the Reports of the Auditors' and Board of Directors' thereon.
2. To appoint a Director in place of Mr. Pramod Gopaldas Gujarathi (DIN 00418958), who retires by rotation and being eligible, offers himself for re-election.

Special Business

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

Re-appointment of Mr. Pramod Gopaldas Gujarathi (DIN 00418958) as a Whole-Time Director, designated as "Director (Safety & Environment) and Occupier."

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval be and is hereby accorded for re-appointment of Mr. Pramod Gopaldas Gujarathi (DIN 00418958), as

the Whole-Time Director, designated as "Director (Safety & Environment) and Occupier" of the Company as well as to continue to hold such position after attaining the age of 70 years, on the terms, conditions and remuneration, including minimum remuneration as are hereinafter specifically given:-

Tenure

Three years with effect from April 1, 2020. He shall be liable to retire by rotation.

Functions

Mr. Pramod Gopaldas Gujarathi (DIN 00418958) shall be responsible for compliances with the laws relating to safety, health and environment at the factories of the Company, present and future. He shall continue to act as person in charge for the business of SRF Limited under Legal Metrology Act, 2009. He shall also discharge such other responsibilities as may be entrusted to him by the Chairman, Managing Director, Deputy Managing Director and/or the Board, from time to time.

Remuneration

Subject to the overall limit on remuneration payable to all the managerial personnel taken together, the remuneration payable to Mr. Pramod Gopaldas Gujarathi (DIN 00418958) shall comprise salary, perquisites and commission, as may be decided by the Board/Nomination and Remuneration Committee in accordance with the Nomination, Appointment and Remuneration Policy within an overall ceiling of 5% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013. Remuneration for a part of the year shall be computed on pro-rata basis.

Minimum Remuneration

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mr. Pramod Gopaldas Gujarathi (DIN 00418958) shall be decided by the Nomination and Remuneration Committee subject to the provisions of the Companies Act, 2013 and such approvals, if any, as may be required.

Termination

The appointment of Mr. Pramod Gopaldas Gujarathi (DIN 00418958) as Director (Safety & Environment) may be terminated by either party giving to the other one calendar months' notice in writing.

"RESOLVED FURTHER THAT the Nomination and Remuneration Committee be and is hereby authorised to recommend/decide from time to time the salary, perquisites and commission payable to Mr. Pramod Gopaldas Gujarathi (DIN 00418958) during his tenure with effect from 01.04.2020 within the approved ceiling of remuneration, in accordance with the Nomination and Remuneration Policy, as amended from time to time."

"RESOLVED FURTHER THAT in the event of any further revision in the levels of permissible managerial remuneration, the Board of Directors/ Nomination and Remuneration Committee be and is hereby authorised to alter, vary and increase the remuneration of Mr. Pramod Gopaldas Gujarathi (DIN 00418958), notwithstanding the overall remuneration set out above, as may then be prescribed / permissible without requiring any further resolution or consent of or reference to the general meeting."

"RESOLVED FURTHER THAT the powers and authorities delegated by the Board to Mr. Pramod Gopaldas Gujarathi (DIN 00418958), from time to time, including powers to sub-delegate shall remain valid upon his re-appointment."

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

Re-appointment of Mr. Ashish Bharat Ram (DIN: 00671567) as Managing Director

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for reappointment of Mr. Ashish Bharat Ram (DIN: 00671567) as Managing Director on the terms, conditions and remuneration, including minimum remuneration as are hereinafter specifically given:

Tenure

Five years with effect from 23.05.2020. He shall be liable to retire by rotation

Functions

Subject to the direction, control and superintendence of the Board of Directors, Mr. Ashish Bharat Ram (DIN: 00671567) shall have the overall responsibility for looking after the day to day management of the Company.

Remuneration

Subject to the overall limit on remuneration payable to all the managerial personnel taken together, the remuneration payable to Mr. Ashish Bharat Ram (DIN: 00671567) shall comprise salary, perquisites and commission, as may be decided by the Board/ Nomination and Remuneration Committee in accordance with the Nomination, Appointment and Remuneration Policy within an overall ceiling of 5% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013.

Remuneration for a part of the Year

Remuneration for a part of the year shall be computed on pro-rata basis.

Minimum Remuneration

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mr. Ashish Bharat Ram (DIN: 00671567) shall be decided by the Nomination and Remuneration Committee subject to the provisions of Companies Act, 2013 and such other approvals, if any, as may be required.

Termination

The appointment of Mr. Ashish Bharat Ram (DIN: 00671567) as Managing Director may be terminated by either party giving to the other three calendar months notice in writing. In the event of termination of this appointment of Mr Ashish Bharat Ram (DIN: 00671567) by the Company, he shall be entitled to receive compensation in accordance with the provisions of the Companies Act, 2013 or any statutory amendment or reenactment thereof."

"RESOLVED FURTHER THAT in the event of any further revision in the levels of permissible managerial remuneration, the Board of Directors/ Nomination and Remuneration Committee be and is hereby authorised to alter, vary and increase the remuneration of Mr Ashish Bharat Ram (DIN: 00671567), notwithstanding the overall remuneration set out above, as may then be prescribed/permissible without requiring any further resolution or consent of or reference to the general meeting."

"RESOLVED FURTHER THAT the Nomination and Remuneration Committee be and is hereby authorised to recommend/ decide from time to time the salary, perquisites and commission payable to Mr Ashish Bharat Ram (DIN: 00671567) during his tenure with effect from 23 May 2020 within the approved ceiling of remuneration in accordance with the Nomination and Remuneration Policy, as amended from time to time."

"RESOLVED FURTHER THAT the powers and authorities delegated by the Board to Mr Ashish Bharat Ram (DIN: 00671567), from time to time, including powers to sub-delegate shall remain valid upon his re-appointment."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

Ratification of Remuneration of Cost Auditors for financial year 2020-21

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable

provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021 as provided below, be and is hereby approved and ratified:

Name of Cost Auditor	Business	Remuneration payable
H Tara & Co.	Technical Textiles	₹ 3.00 lakhs plus applicable taxes and reimbursement of actual out of pocket expenses
(Membership No. 17321)	Business and Other Businesses	
Sanjay Gupta & Associates	Chemicals Business and Packaging	₹ 5.25 lakhs plus applicable taxes of actual out of pocket expenses
(Membership No. 18672)	Films Business	

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

Offer or invitation to subscribe to Redeemable Non-Convertible Debentures of the Company on private placement

"RESOLVED THAT pursuant to the provisions of Sections 42, 71, 179 and any other applicable provisions of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board duly authorized by it in this regard in accordance with the applicable provisions of the said Act) be and is hereby authorised to issue, offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in or more series/tranches, aggregating upto ₹ 500 crores (Rupees five hundred crores), on private placement basis, and on such terms and conditions as the Board of Directors may, from time to time, determine

and consider proper and most beneficial to the Company including as to the timing of issue of such Debentures, the consideration for the issue, the utilisation of the issue proceeds and all other matters connected with or incidental thereto;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps including the power to sub-delegate the powers

as may be necessary, proper or expedient to give effect to this resolution.”

BY Order of the Board of Directors

Rajat Lakhanpal

VP (Corporate Compliance)
& Company Secretary
Membership No. A12725

Date : July 08, 2020

Place : Gurugram

NOTES

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details of material facts relating to the Special businesses to be transacted at this AGM, is annexed hereto.
2. In view of the continuing COVID-19 pandemic, Ministry of Corporate Affairs, vide Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13th April 2020 read with Circular No. 20/2020 dated 5th May, 2020, has permitted to hold AGM through Video Conferencing (VC) or Other Audio Visual means (OAVM).
3. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") read with the aforesaid MCA Circulars and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 49th AGM of the Company is being conducted through VC/OAVM. Deemed Venue for meeting will be Registered Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091.
4. Company has appointed M/s. Kfin Technologies Private Limited (formerly known as Karvy Fintech Private Limited), Registrar and Share Transfer Agent ("Registrar"), to provide VC/OAVM facility for the AGM and the attendant enablers for conducting of the AGM.
5. Since, the meeting is being conducted through VC/OAVM, facility of appointing proxies to attend and vote at the meeting on behalf of the members of the Company is not available and hence the proxy form is not annexed to this notice. However, Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

Body Corporates who intends to authorize representatives to participate and vote on their behalf in the meeting to be held through VC/OAVM are requested to send, in advance, a duly certified copy of the relevant board resolution/ letter of authority/power of attorney to the Company at cs@srf.com through its registered E-mail Address.
6. The attendance of members (members' login) attending the AGM through VC/ OAVM shall be reckoned for the purpose of Quorum under Section 103 of the Companies Act, 2013 and hence no attendance slip is attached to the notice.
7. Pursuant to the applicable provisions of the Companies Act 2013, unpaid/unclaimed dividends up to the financial year 2012-13, was transferred to the Investor Education & Protection Fund (IEPF). Besides the dividend so transferred, Company has also transferred the relative share scrips in respect of dividends which remained unpaid for a continuous period of seven years to the demat account of IEPF Authority, in accordance with the applicable provisions of Companies Act, 2013 and Rules made thereunder. It may be noted that once the unclaimed / unpaid dividend and/or shares are so transferred; the same can only be reclaimed by a shareholder from the IEPF Authority in accordance with the applicable provisions of the Companies Act 2013 and relevant Rules made thereunder by following the prescribed procedure in this regard. The IEPF Rules and the application Form (Form IEPF-5), as prescribed by the Ministry of Corporate Affairs, are available on the website of the Ministry of Corporate Affairs at www.iepf.gov.in. Details of the unpaid/unclaimed dividend and shares transferred to IEPF from time to time also have been uploaded on the "Investors Section" of the website of the Company viz. www.srf.com.

Members, who have not encashed their dividend pertaining to financial year 2013-14 onwards, are advised to write at einward.ris@kfintech.com to M/s. Kfin Technologies Private Limited, Registrar of the Company immediately for claiming the same.
8. Members may utilize the facility extended by the Registrar for redressal of their queries including change of address, if any, by

- visiting at <https://karisma.kfintech.com/> and clicking on 'Investor Relations' section for query registration through free identity registration process. Members may also write at einward.ris@kfintech.com clearly mentioning their DP ID/ Client ID.
9. Members desiring any information/ clarification on the financial statements or any of the resolutions as detailed in the Notice are requested to write to the Company on or before 12 August 2020 through an E-mail to cs@srf.com, specifying his/ her name along with Demat account details. The same shall be replied by the Company suitably.
 10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which directors are interested under Section 189 of the Companies Act, 2013, ESPS Certificate by Auditor dated 4th June, 2020 that SRF Limited Long term Share based Incentives Plan, 2018 has been implemented in accordance with said regulations and in accordance with the resolutions of the company passed through Postal Ballot on March 26, 2018 and all other documents mentioned in the Notice will be available for inspection in electronic mode during the Annual General Meeting. Members can inspect the same by sending an E-mail to cs@srf.com.
 11. Notice of the AGM and Annual Report 2019-20 are being sent via electronic mode to the members whose E-mail addresses are registered with the Company/ Registrar or the Depository Participant(s). In accordance with the MCA Circular No. 17/2020 dated 13th April 2020, the Notice calling the AGM has been uploaded on the Company's website: <https://www.srf.com>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively, and is also available on the website of e-voting agency M/s KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) at <https://evoting.karvy.com/>.
 12. The Annual Report along with the Notice of AGM is being sent to the members, whose name appear in the register of members/depositories as at closing hours of business on 17th July, 2020.
 - a. Those member who have registered/not registered their E-mail address and mobile number including postal address and bank details may please contact and validate/ update their details with the Depository Participant in case of shares held in electronic form and with the Company's Registrar in case the shares held in physical form.
 - b. Members who have not registered their E-mail address and in consequence, the Annual Report and Notice of AGM could not be served, may temporarily get their E-mail address and mobile number provided with the Company's Registrar, by clicking the link: https://ris.kfintech.com/email_registration/ for sending the same. Members are requested to follow the process as guided to capture the E-mail address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any query, member may write to einward.ris@kfintech.com.
 - c. Members are also requested to visit the website of the Company <https://www.srf.com> or the website of the Company's Registrar <https://karisma.kfintech.com/> for downloading the Annual Report and Notice of the AGM.
 - d. Alternatively members may send an E-mail request at einward.ris@kfintech.com along with scanned copy of the signed request letter providing the E-mail address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
 13. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to

submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Company's Registrar.

14. In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form effective from 1st April 2019. In view of the above, members are advised to dematerialize their shares held by them in physical form. Members can also write to the Company's Registrar in this regard.
15. To prevent fraudulent transactions, members are advised to exercise due diligence and notify to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Company's Registrar of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
16. In case of joint holders attending the meeting, the members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

Instructions for the Members for attending the AGM through Video Conferencing:

- a) Members will be provided with a facility to attend the AGM through VC platform provided by M/s KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited), Members may access the same at <https://emeetings.kfintech.com/> and click on the "video conference" and access the shareholders/members login by using the remote e-Voting credentials. The link for AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected. Please note that the 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.
- b) Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- c) Members are requested to participate in the AGM on a first-come-first served basis, as participation through VC is restricted upto 1000 members only. However, members holding 2% or more shareholding (Large Shareholders), Promoters, Institutional investors, Directors, Key Managerial Personnel (KMP), Chairpersons of the Audit, Nomination & Remuneration and Stakeholder's Relationship Committee, Auditors, etc. are allowed to attend the AGM without restriction on account of first-come-first served principle.
- d) Members who would like to express their views or ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions", queries/views/questions in the window provided by mentioning the name, demat account number/folio number, E-mail id, mobile number. Please note that, the queries/views/questions of those members will be answered who continue to hold the shares as on cut-off date. Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the aforesaid facility during the meeting.
- e) In addition to above, speaker registration may also be allowed during the remote e-voting period. Members who wish to register as speakers are requested to visit <https://emeetings.kfintech.com/> and click on 'Speaker Registration' during this period. The speaker registration shall commence on 14th August 2020 at 9.00 AM (IST) and closes on 16th August 2020 at 5.00 PM (IST). Members are requested to remember the same and wait for their turn to be called by the Chairman/ Company Secretary of the meeting during the Q&A Session. Due to limitations of transmission

and coordination during the AGM, the Company may have to dispense with or curtail the Speaker Session, hence members are encouraged to send their queries/views/questions in advance as provided in note no. 9. The members may also send their queries alongwith their name and Client Id/DP Id or folio no. as the case may be to the email : cs@srf.com during the said period and the replies to these queries may be given by the Chairman/Managing Director during the course of AGM or subsequently via email.

- f) Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of the AGM on first come first served basis subject to the limitations as mentioned in note (c) above.

17. Cut-off Date for E-voting:

- a) The remote e-voting /voting rights of the members/beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off Date i.e. 10th August 2020 only.
- b) A person who is not a member as on the Cut-off Date should treat this Notice for information purposes only.

18. Voting through electronic means / Remote e-voting:

The Company is pleased to provide the facility of voting by electronic means viz. 'remote e-voting' M/s KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited), Company's Registrar, for the eligible members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the Notice of the AGM.

The remote e-voting period begins on Friday, 14th August 2020 at 9:00 AM (IST) and ends on Sunday, 16th August 2020 at 5:00 PM (IST). During this period members of the Company, as on the Cut-Off Date i.e. 10th August 2020, may cast their votes electronically. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.

The remote e-voting module shall be disabled by Company's Registrar for voting at 5:00 PM (IST) on Sunday, 16th August 2020.

19. **Voting at the AGM:** Members who could not vote through remote e-voting may avail the e-voting facility as shall be provided during the AGM.

Instructions for members for e-Voting ('Insta Poll') during the AGM session:

- a) The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated once the Insta Poll is announced at the AGM.
- b) Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- c) Only those members, who will be present in the AGM through VC facility and have not casted their vote through remote e-Voting are eligible to vote through e-Voting in the AGM.
- d) However, members who have voted through Remote e-Voting will also be eligible to attend the AGM.

20. The details of the process and manner for remote e-voting are explained herein below:

- i. Open your web browser during the voting period by typing the URL: <https://evoting.karvy.com>
- ii. Enter the login credentials (i.e. User ID and password mentioned in the E-mail forwarding the Notice of AGM or mentioned on the attendance sheet accompanying the Notice of AGM in case E-mail id is not registered and physical copy of the Annual Report is being received by you. The said login credentials shall be valid only in case you continue to hold the shares on the cut-off date). Your Folio No./DP ID Client ID will be your User ID. However, if you hold shares in demat form and you are already registered with Kfintech for remote e-voting, you shall use your existing User ID and password for casting your vote.

iii. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date i.e. 10th August 2020 may obtain the User id and password in the manner as mentioned below:

a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> Event number + Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567

b) If e-mail id or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

c) Members may call Kfintech toll free number 1800-3454-001.

d) Members may send an e-mail request to evoting@kfintech.com. However, Kfintech shall endeavor to send User ID and Password to those new Members whose mail ids are available.

If the member is already registered with Company's Registrar for remote e-voting, he can use his existing User ID and password for casting the vote without any need for obtaining any new User ID and password.

iv. After entering these details appropriately, click on "LOGIN".

v. You will now reach at the password changing Menu, wherein you are required to mandatorily change your password. The

new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, E-mail ID, etc. on first login. You will also be required to enter a secret question and answer of your choice to enable you to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

vi. You need to login again with the new credentials.

vii. On successful login, the system will prompt you to select the Event Number for **SRF LIMITED**.

viii. On the voting page you will see the Resolution Description and the Options "FOR/AGAINST/ABSTAIN" for voting. Enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date, as mentioned above. You may also choose the option "ABSTAIN" in case you do not want to cast vote.

ix. You may then cast your vote by selecting an appropriate option and click on "Submit".

x. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xi. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

21. In case of any grievances connected to the remote e-voting or e-voting or VC/ OAVM during the AGM, please contact Mr. B Venkata Kishore, Deputy Manager at M/s KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited), Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, Contact no. 040-67162222 or call Kfintech toll free No. 1800-3454-001 for any further clarifications.
22. You can also update your mobile number and E-mail address in the user profile details of the folio which may be used for sending future communication(s).
23. Any person who acquires shares of the Company and becomes member of the Company post-dispatch of Notice of AGM along with the Annual Report before the Cut-Off Date may obtain the login ID and password by sending a request at evoting@kfintech.com or visit the FAQ's section available at Kfintech website <https://evoting.karvy.com>.
24. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the Cut-off Date.
25. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories, as on the cut-off date, only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
26. Mr. Arvind Kohli , Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the entire e-voting process in a fair and transparent manner.
27. The results declared along with the report of the Scrutinizer shall be placed on the Company's website <https://www.srf.com> and on the website of M/s. KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) <https://evoting.karvy.com> immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the concerned Stock Exchanges i.e. BSE and NSE.
28. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
29. In terms of SEBI Listing Regulations, application for: (i) Deletion of name of the deceased member(s) where the shares are held in the name of two or more member(s) (ii) Transmission of shares to the legal heir(s)/ representative(s), where deceased member was the sole holder of shares (iii) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more member has to be accompanied with a self-attested copy of their PAN along with the other required documents to the Company's Registrar irrespective of the value of the transaction. Members are requested to bear in mind the aforesaid requirements while communicating with the Company or Registrar for any of the purposes stated above. Section 72 of the Act, provides for Nomination by the members of the Company and the members are requested to avail this facility.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 & DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER LISTING REGULATIONS AND SECRETARIAL STANDARDS ON GENERAL MEETINGS

Item No. 3

Mr. Pramod Gopaldas Gujrathi (DIN 00418958)

Shareholders had appointed Mr. Pramod Gopaldas Gujrathi (DIN 00418958) as Director (Safety & Environment) and Occupier of factories of the Company, w.e.f. April 01, 2017 for a term of three years. He is also the person in charge for the business of SRF Limited under Legal Metrology Act, 2009.

The Board of Directors had at its meeting held on 03.02.2020 re-appointed Mr. Pramod Gopaldas Gujarathi (DIN 00418958) for a period of 3 years with effect April 01,2020. Members' approval is sought to the appointment. The Company has received a notice under Section 160 from a member signifying his

intention to propose the candidature of Mr. Gujarathi at the forthcoming Annual General Meeting, copy of which is available on the website of the Company www.srf.com

The terms of appointment and remuneration including minimum remuneration proposed for Mr. Pramod Gopaldas Gujarathi (DIN 00418958) are fully set out in the resolution.

The information required by the Listing Regulations and Secretarial Standards on General Meetings is given below:

Mr. Gujarathi (68 years) is B. Tech. (Chemical Engineering) from IIT, Bombay having Post Graduate Diploma in Management Studies with a vast and rich experience of 41 years in the field of production, engineering, safety, environment, QA and R&D, etc. He had served as Director & Site Manager with Bayer Group for around eighteen years.

Keeping in view Mr. Gujarathi's rich and varied experience in the industry, health and safety matters, it would be in the interest of the Company to re-appoint him as a Whole-time director designated as Director (Safety and Environment) and Occupier.

Mr. Gujarathi has no shareholding in the Company. He is Independent Director in Chemiesynth Ltd (Vapi) since May 2018 and is a Chairman of Nomination and Remuneration Committee and member of Audit Committee in Chemiesynth Ltd (Vapi).

Approval of the members is sought to the appointment of Mr. Pramod Gopaldas Gujarathi (DIN 00418958) as Director (Safety & Environment) and Occupier of in terms of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013.

Except Mr. Gujarathi, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution.

The Board of Directors recommends the Special Resolution set out at Item No. 3 of the Notice for approval of the members.

Item No 4

Mr. Ashish Bharat Ram (DIN: 00671567)

Shareholders had appointed Mr. Ashish Bharat Ram (DIN: 00671567) as Managing Director of the Company for a period of 5 years with effect from 23.05.2015 in the AGM held on 6th August, 2015.

At its meeting held on 03.02.2020, the Board of Directors subject to Members' approval had re-appointed Mr Ashish Bharat Ram (DIN: 00671567) as Managing Director of the Company for a further period of 5 years with effect from 23 May 2020. Members' approval is sought for his re-appointment. The Company has received a notice under Section 160 from a member signifying his intention to propose the candidature of Mr. Ashish Bharat Ram at the forthcoming Annual General Meeting, copy of which is available on the website of the Company www.srf.com

The terms of his re-appointment and remuneration including minimum remuneration are set out in the resolution.

The information required by the Listing Regulations with the Stock Exchanges is given below:

Mr Ashish Bharat Ram (51) has done his schooling from Doon School and graduation in Economics from the Hindu College, Delhi University with an emphasis on mathematics. He holds a Masters' degree in Business Administration on Corporate Strategy with an emphasis on finance and strategy from The Johnson Graduate School of Management, Cornell University, Ithaca, NY, USA and has a 25 years' working experience in senior positions including in the Company's international subsidiaries.

Mr Ashish Bharat Ram (DIN: 00671567) has no shareholding in the Company. Mr Ashish Bharat Ram is a member of Stakeholders Relationship Committee and Committee of Directors - Financial Resources and Chairman of Risk Management Committee of the Company.

Directorships in other Public companies	Committee Membership
Transport Corporation of India Limited	<ul style="list-style-type: none"> • Compensation/Nomination and Remuneration Committee (Chairman) • Corporate and Social Responsibility Committee (Chairman) • Corporate and Restructuring Committee
Kama Holdings Limited	<ul style="list-style-type: none"> • Stakeholders Relationship Committee (Chairman) • Committee of Directors-financial Resources • Nomination and Remuneration Committee • Risk Management Committee (Chairman)
Shri Educare Limited	Nil
SRF Holiday Home Limited	Nil

Mr. Ashish Bharat Ram is interested in the resolution. Mr. Arun Bharat Ram and Mr. Kartik Bharat Ram, who are relatives of Mr. Ashish Bharat Ram, may be deemed to be interested in the resolution. No other Director or KMP of the Company is concerned or interested in the resolution.

In view the above, the Board of Directors recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the members.

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditors to conduct audit of the cost records of the Company for the financial year ending March 31, 2021 at the remuneration as provided in the resolution.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

None of the Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

Both the cost auditors had rendered satisfactory service during their last tenure, therefore the Board of Directors recommends Ordinary Resolution set out at Item No. 5 of the Notice for approval of the members.

Item No. 6

As per the provisions of Section 42 of the Companies Act, 2013 read with Companies (Prospectus and allotment of Securities) Rules, 2014, private placement of redeemable, non-convertible debentures requires approval of shareholders by way of special resolution. However, the Company may pass a special resolution once in a year for all the offers or invitation for such debentures during the year.

In order to provide for resources for financing of capital expenditure requirements, re-financing of existing debt, general corporate purposes and such other purposes of the Company as are allowed by the applicable laws, the Company may be required to offer or invite subscription for secured/ unsecured redeemable non-convertible debentures, in one or more series/tranches on private placement. Further, SEBI circular dated 26.11.2018 require that 25% of the incremental borrowings by a large corporate (as defined in that circular) during a financial year shall be met by way of issuance of debt securities in accordance with applicable SEBI regulations.

Pricing of debentures is determined and impacted by general economic conditions and monetary policy, Company specific rating and outlook of the investor on the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

In view of the above, the Board of Directors recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the members authorising the Board to issue redeemable, non-convertible Debentures by private placement for an aggregate amount not exceeding ₹ 500 crores, in one or more tranches, during the period of one year from the date of this Annual General Meeting.

IMPORTANT COMMUNICATION TO MEMBERS

The members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Registrar & Transfer agent M/s KFin Technologies Pvt. Ltd.



Board's Report

Dear Members,

Your Directors are pleased to present the 49th Annual Report for the year ended March 31, 2020.

Financial Results

Particulars	₹ in Crores	
	2019-20	2018-19
Revenue from operations	6,330.84	6,205.59
Other income	53.29	42.13
Total Income	6,384.13	6,247.72
Profit Before Interest, Depreciation & Tax (PBIDT)	1,315.80	1,167.94
Less: Interest & Finance Charge	182.11	173.78
Gross Profit	1,133.69	994.16
Less: Depreciation and amortisation charge	353.21	325.12
Profit Before Tax (PBT) from continuing operations	780.48	669.04
Less: Provision For Taxation including Deferred Tax Charge	(13.11)	167.52
Profit After Taxation (PAT) from continuing operations	793.59	501.52
Profit Before Tax (PBT) from discontinued operations*	241.82	24.07
Less: Provision For Taxation including Deferred Tax Charge	61.23	8.41
Profit After Taxation (PAT) from discontinued operations	180.59	15.66
Total Profit After Taxation (PAT) from continuing and discontinued operations	974.18	517.18
Add: Profit Brought Forward	2,956.92	2,524.05
Total	3,931.10	3,041.23

Appropriation

₹ in Crores		
Particulars	2019-20	2018-19
Interim dividend on Equity Shares	80.47	68.98
Corporate Tax on Dividend	16.54	14.17
Other comprehensive income arising from re-measurement of defined benefit obligation	5.33	1.16
Amount transferred to Debenture Redemption Reserve	-	-
Profit carried to Balance Sheet	3,828.76	2,956.92

* During the year, the Engineering Plastics Business of the Company was divested with effect from August 1, 2019. The PBT from discontinued operations represent operating profits till the date of divestment of that business and profit on account of sale of the business.

Equity Dividend

During the year, your Company has paid two interim dividends of ₹ 7 per share each aggregating to ₹ 14 per share, amounting to ₹ 97.01 Crores (inclusive of taxes). The Board of Directors of the Company has not recommended any final dividend.

Operations Review

Total revenue from operations of the Company on standalone basis increased by 2.02 per cent from ₹ 6205.59 Crores in 2018-19 to ₹ 6330.84 Crores in 2019-20. The profit before interest, depreciation and tax (PBIDT) including 'other income' on a standalone basis increased from ₹ 1,167.94 Crores in 2018-19 to ₹ 1,315.80 Crores in 2019-20.

Profit before tax (PBT) from continuing operations on a standalone basis increased by 16.66 per cent from ₹ 669.04 Crores in 2018-19 to ₹ 780.48 Crores in 2019-20. After accounting for the net tax credit of ₹ 13.11 Crores, profit after tax (PAT) on continuing operations on a standalone basis increased by 58.24 per cent from ₹ 501.52 Crores in 2018-19 to ₹ 793.59 Crores in 2019-20.

Management Discussion and Analysis

A detailed section on the Management Discussion and Analysis forms part of the Annual Report. A review of the Businesses is also given in that section.

Business Responsibility Report

As stipulated under the Securities and Exchange Board of India (LODR) Regulations, 2015 ("Listing Regulations"), the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance

perspective has been prepared for 2019-20 is presented in a separate section forming part of this Annual Report.

Subsidiaries, Joint Ventures and Associate companies

As on March 31, 2020, your Company had 6 (six) wholly owned subsidiary companies whereby 1 (one) wholly owned subsidiary company is registered in India and remaining 5 (five) are registered outside India. 2 (two) of these are direct wholly owned subsidiaries and rest 4 (four) are step-down wholly owned subsidiaries. The consolidated profit and loss account for the period ended March 31, 2020 includes the profit and loss account for these 6 (six) wholly owned subsidiaries for the complete Financial Year ended March 31, 2020.

These subsidiaries are:-

1. SRF Global B.V. is a wholly owned subsidiary of the Company incorporated in the Netherlands. This entity is an SPV formed for the purpose of holding investments and mobilizing funds for the 4 (four) step-down subsidiaries of the Company.
2. SRF Industries (Thailand) Ltd. (a wholly owned subsidiary of SRF Global BV) is incorporated in Thailand engaged in the manufacture and distribution of packaging films. During the year, Nylon Tyre Cord Fabric plant at Rayong, Thailand was closed due to high costs and lack of visibility on reaching profitable operations anytime in the near future.
3. SRF Flexipak (South Africa) (Pty) Ltd. (a wholly owned subsidiary of SRF Global BV)

is incorporated in South Africa engaged in manufacture and distribution of packaging films.

4. SRF Industex Belting (Pty) Ltd. (a wholly owned subsidiary of SRF Global BV) is incorporated in South Africa presently in the business of trading in refrigerant gases in South Africa and other neighbouring countries.
5. SRF Europe Kft (a wholly owned subsidiary of SRF Global BV) was incorporated in Hungary to undertake the manufacture of packaging films in Hungary.
6. SRF Holiday Home Ltd. is a wholly owned subsidiary of the Company incorporated in India. This company is engaged in the business of acquisition and renting of real estate properties.

The consolidated financial statements of the Company prepared in compliance with applicable Accounting Standards and other applicable laws including all the above subsidiaries duly audited by the statutory auditors are presented in the Annual Report.

No subsidiaries were divested during the year. No company has become/ceased to be a joint venture or associate during the year. A report on performance and financial position of each of the subsidiaries and associates is presented in a separate section in this Annual Report. Please refer (AOC-1) annexed to the financial statements in the Annual Report at page no. 280. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: [http://www.srf.com/pdf/2014%20\(10\)%2028%20-%20Policy%20on%20material%20subsidiary%20companies%20-%20v2%20-%20Oct14.pdf](http://www.srf.com/pdf/2014%20(10)%2028%20-%20Policy%20on%20material%20subsidiary%20companies%20-%20v2%20-%20Oct14.pdf)

The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and of respective subsidiary companies. Further, the annual accounts of the subsidiaries are also available on the website of the Company viz. www.srf.com.

Directors & Key Managerial Personnel

Mr Pramod Gopaldas Gujarathi, Director (Safety & Environment), is retiring by rotation and being eligible, offers himself for re-appointment.

All the Independent Director(s) have submitted the declaration of meeting the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and rules applicable thereunder and as per the SEBI Regulations. They are also independent of the management.

The Board confirms that independent directors appointed during the year possess the desired integrity, expertise and experience. The independent directors, as applicable, have been advised to undergo the Online Proficiency Test as prescribed under Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended.

During the year, the board has re-appointed Mr. Pramod G Gujarathi as Whole-time Director and Mr. Ashish Bharat Ram as Managing Director and resolutions for their re-appointment form part of the notice for the AGM. The Board recommends their re-appointment.

Brief resume of the Directors who are proposed to be appointed/re-appointed is furnished in the explanatory statement to the notice of the ensuing Annual General Meeting.

In accordance with the requirements of the Companies Act and the Listing Regulations, the Company has formulated a Nomination, Appointment and Remuneration Policy. A copy of the Policy is enclosed as Annexure I.

In accordance with the aforesaid Policy, the Nomination and Remuneration Committee evaluates the performance of the Executive Directors, Non-Independent non-executive Director and Independent Directors. Board evaluates, its own performance on criteria like discharge of duties and responsibilities under the Companies Act and Listing Regulations, fulfilment of its role with respect to guiding corporate strategy, risk policy, business plans, corporate performance, monitoring company's governance practices etc. and number of meetings held during the year and the performance of its Committees on the criteria like fulfilment of role of the Committee with reference to its terms of reference, the Companies Act and the Listing Regulations and the number of committee meetings held during the year.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link <http://www.srf.com/investor-relations/investors.html#governance>

During the year 2019-20, four meetings of the Board of Directors were held. For further details, please refer to report on Corporate Governance on page no. 69 of this Annual Report.

Directors' Responsibility Statement

Pursuant to the requirements of Section 134(3)(c) of the Companies Act, 2013, it is hereby confirmed that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Contracts and Arrangements with Related Parties

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arms' length basis and in accordance with the Transfer Pricing Policy/ basis approved by the Audit Committee and/or in accordance with the Omnibus approval of the Audit Committee. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Policy on Materiality of Related Party Transactions.

Your Directors draw attention of the members to Note 32 to the notes to accounts forming part of the financial statements which sets out related party transaction disclosures.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities provided alongwith the purpose for which the loan or guarantee or security was proposed to be utilised by the recipient are provided in the standalone financial statement (Please refer to Note 41(d) of Additional Disclosures forming part of the standalone financial statement).

Corporate Social Responsibility (CSR)

As per the requirements of the Companies Act, 2013, the Company has a Corporate Social Responsibility Committee comprising of Dr. Meenakshi Gopinath, Director (CSR) (Chairperson of the Committee), Mr. Arun Bharat Ram, Chairman of the Company, Kartik Bharat Ram, Deputy Managing Director and Lakshman Lakshminarayan, Independent Director as other members.

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the projects to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link [http://www.srf.com/pdf/2015%20\(05\)%2011%20-%20SRF%20-%20CSR%20Policy%20-%20Board%20approved.pdf](http://www.srf.com/pdf/2015%20(05)%2011%20-%20SRF%20-%20CSR%20Policy%20-%20Board%20approved.pdf)

The Company would also undertake other need-based initiatives in compliance with Schedule VII to the Act.

During the year, the Company has spent ₹ 12.00 Crores on CSR activities. The amount of CSR obligation under the Companies Act, 2013 was ₹ 11.63 Crores. Annual Report on CSR activities is annexed herewith as Annexure II.

An amount of Rs. 4.40 Crores was provided to SRF foundation (Implementing Agency) in 2016-17 for CSR expenditure on the mid-day meal programme in Bharuch, Gujarat which could not be utilised as the programme did not materialise due to operational reasons. An amount aggregating to ₹ 1.90 Crores out of the above was spent during the year on promotion of education, art and culture.

Risk Management

Enterprise Risk Management is a risk based approach to manage an enterprise, identifying events that may affect the entity and manage risks to provide reasonable assurance regarding achievement of entity's objective.

The risks identified by the Company broadly fall into the following categories viz. strategic risks, operational risks, regulatory risks, financial and accounting risks, foreign currency and other treasury related risks and information systems risks. The risk management process consists of risk identification, risk assessment, risk prioritization, risk treatment or mitigation, risk monitoring and documenting the new risks.

Your Board has laid down a risk management framework and policy to address the above risks. The objective of the policy is to identify existing & emerging challenges that may adversely affect the company and manage risks in order to provide reasonable assurance to the various stakeholders. In the opinion of your Board, none of the risks which have been identified may threaten the existence of the Company.

The Board has constituted Risk Management Committee consisting of Mr. Ashish Bharat Ram as Chairman, Mr. Kartik Bharat Ram and Ms. Bharti Gupta Ramola as members of the Committee.

Internal Financial Controls

The Company believes that Internal Control is a necessary concomitant of the principle of Governance. It remains committed to ensuring an effective Internal Control environment that provides assurance to the Board of Directors, Audit Committee and the management that there is a structured system for:

- close and active supervision by the Audit Committee
- business planning and review of goals achieved
- evaluating & managing risks
- policies and procedures adopted for ensuring orderly Financial Reporting
- timely preparation of reliable Financial Information
- accuracy and completeness of the Accounting Records
- ensuring legal and regulatory compliance
- protecting company's assets
- prevention and detection of fraud and error
- validation of IT Security Controls
- Entity Level Controls

Interrelated control systems, covering all financial and operating functions, assure fulfilment of these objectives.

Significant features of these control systems include:

- the planning system that ensures drawing up of challenging goals and formulation of detailed strategies and action plans for achieving these goals.
- the risk assessment system that accounts for all likely threats to the achievement of the plans, and draws up contingency plans to mitigate them.
- the review systems track the progress of the plan and ensure that timely remedial measures are taken, to minimise deviations from the plan.

The Company uses Enterprise Resource Planning (ERP) supported by in-built controls that ensures reliable

and timely financial reporting. Well-established & robust internal audit processes, both at the Corporate and the Business levels, continuously monitor the adequacy and effectiveness of the Internal Controls and status of compliance with operating systems, internal policies and regulatory requirements. All Internal Audit findings and control systems are periodically reviewed by the Audit Committee of the Board of Directors, which provides strategic guidance on Internal Controls.

The Company also has a robust & comprehensive framework of Control Self-Assessment (CSA) which continuously verifies compliance with laid down policies & procedures and help plug control gaps, CSA comprises Automated and Manual Controls. CSA Assurance Testing completes the control compliance loop. In addition to this, Compliance Manager (CM) a facilitating tool sends pre-emptive alert to meet specific calendared regulatory deadlines in the company.

Listing of Equity Shares

SRF's equity shares are listed at the BSE Ltd. and the National Stock Exchange of India Ltd.

SRF Limited Long term Share based Incentives Plan, 2018

During the year, no equity shares were allotted under SRF Limited Long Term Share Based Incentive Plan, 2018 to eligible employees. There has been no change in the said Plan. The said Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. In Compliance with Circular dated June 16, 2015 issued by SEBI under the said Regulations, necessary disclosures are given below:

- a. In terms of the "Guidance Note on accounting for employee share based payments" issued by ICAI and Ind AS 102, note no. 34 on Employee Share Based Payments forms part of the notes to standalone annual accounts appearing on page no. 169 of the Annual Report 2019-20. Note No. 1.B.17 forming part of the Accounting Policies which refers to this is also appearing on page no. 126 of the Annual Report 2019-20. The same are also reproduced in the "Investors Section" of the website (www.srf.com). The weblink for the same is <https://www.srf.com/investor-relations/investors.html>.

- b. During financial year 2018-19, shares under Part B- SRF ESPS, 2018 of the SRF Long Term Share Incentive Plan, 2018 were issued directly to the eligible employees as decided by the Board/ Nomination and Remuneration Committee of the Company. Hence, the diluted EPS and basic EPS for this year are the same. Basic EPS for 2019-20 from continuing and discontinued operations was ₹ 169.48 per Share.
- c. Other Disclosures mandated by the said circular are given in Annexure III.

Certificate from the Auditors of the Company dated June 04, 2020 that SRF Limited Employees Long term Share Based Incentive Plan, 2018 has been implemented in accordance with these regulations and in accordance with the resolution of the company shall be placed in the forthcoming Annual general meeting.

Dividend Distribution Policy

In compliance with the Listing Regulations, your Board had formulated a Dividend Distribution Policy. A copy of the said policy is available on the website of the Company at <http://www.srf.com/pdf/Dividend%20Distribution%20>. The policy is also given in Annexure V of this report.

Corporate Governance

Certificate of the auditors of your Company regarding compliance of the conditions of corporate governance as stipulated in regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the report as Annexure IV.

In compliance with the requirements of the regulation 17(8) of the aforesaid regulations, a certificate from Managing Director and President & CFO was placed before the Board.

All Board members and Corporate Leadership Team (CLT) have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by the Managing Director is enclosed as a part of the Corporate Governance Report. A copy of the Code is also placed at the website of the Company (www.srf.com)

Consolidated Financial Statement

The consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant amendments issued thereafter of the Act.

Audit Committee

As on March 31, 2020 the Audit Committee comprises of Independent Directors namely, Mr. Lakshman Lakshminarayan (Chairman of the Committee), Mr. Vellayan Subbiah and Ms. Bharti Gupta Ramola as other members. All the recommendations made by the Audit Committee were accepted by the Board.

Accounts and Audit

M/s BSR & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) were appointed as Statutory Auditors for 5 years in 47th annual general meeting to hold office from the conclusion of 47th Annual General Meeting until the conclusion of 52nd annual general meeting.

The observations of the auditors are explained wherever necessary in appropriate notes to the accounts. The Auditors Report does not contain any qualification, reservation, adverse remark or disclaimer.

Vigil Mechanism

In compliance with the provisions of the Companies Act, 2013 and Listing Regulations, the company has established a vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct.

The Vigil Mechanism of the Company consists of Code of Conduct for employees, Policy against sexual harassment, Whistleblower Policy, Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Conduct for Directors and Sr. Management Personnel. These taken together constitute the vigil mechanism through which Directors, employees and other stakeholders can voice their concerns. The Whistle blower Policy, Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Conduct for Directors and Sr. Management Personnel can be accessed on the Company's website at the link: <http://www.srf.com/investor-relations/investors.html#governance>

Cost Audit

Pursuant to various circulars issued by Ministry of Corporate Affairs, the Company is required to maintain cost records for all the products being manufactured by it and get the same audited by a cost auditor.

M/s. H. Tara & Co., Cost Accountants, was appointed to conduct cost audit of the accounts maintained by the Company for the financial year 2020-21 in respect of all the relevant product groups of Technical Textiles Business and other Businesses of the Company.

M/s. Sanjay Gupta & Associates, Cost Accountant, was appointed to conduct cost audit of the accounts maintained by the Company for the financial year 2020-21 in respect of all the relevant product groups of Chemicals Business and Packaging Films Business of the Company.

M/s. Sanjay Gupta & Associates, Cost Accountant was nominated as the Company's Lead Cost Auditor.

The remuneration of the cost auditors for financial year 2020-21 is subject to ratification by the shareholders. Accordingly a suitable item has been included in the notice of the ensuing annual general meeting.

The Cost Audit reports for audit of the said products for the financial year 2018-19, conducted by M/s. H. Tara, Cost Accountants (M. No. 17321) and M/s Sanjay Gupta & Associates, Cost Accountants (M. No. 18672), have been filed with the Ministry of Corporate Affairs on August 31, 2019. The due date for filing was September 05, 2019.

Secretarial Auditor

The Board has appointed M/s Sanjay Grover & Associates, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith as Annexure VI to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, Secretarial Compliance Report dated May 28, 2020 issued as per SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 was given by M/s Sanjay Grover & Associates, Practising Company Secretary which was submitted to Stock Exchanges.

Personnel

The statement containing names of top ten employees in terms of remuneration drawn and the particulars employees as required under section 197 (12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said Annexure is open for inspection at the registered office of the Company during business hours on working days upto the date of ensuing general meeting. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure VII.

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

The details as required under the Companies (Accounts) Rules, 2014 are given as Annexure VIII to the Directors' report.

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as Annexure IX to this Report.

The Annual Return (MGT-7) of the Company as on 31.3.2019 is available on the following web link: <https://www.srf.com/investor-relations/investors.html#reports>

Industrial Relations

The Company continued to generally maintain harmonious and cordial relations with its workers in all its businesses.

Secretarial Standards

Applicable Secretarial Standards, i.e. SS-1 SS-2 and SS-3, relating to 'Meeting of the Board of Directors' 'General Meetings' and 'Dividend' respectively, have been duly followed by the Company.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there was no transactions on these items during the year under review :-

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Neither the Chairman, Managing/Deputy Managing Director nor Whole-time Director received any remuneration or commission from any of the Company's subsidiaries.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). During the year, no complaint was received.

Acknowledgements

Your Directors acknowledge with gratitude the co-operation and assistance received from various agencies of the Central Government and the Governments of Madhya Pradesh, Rajasthan, Tamil Nadu, Gujarat and Uttarakhand, financial institutions and banks. Your Directors thank the shareholders for their continued support. Your Directors also place on record their appreciation of the contribution made by employees at all levels.

For and on Behalf of the Board

Arun Bharat Ram

Chairman

(DIN – 00694766)

Date: June 04, 2020

Place: New Delhi

Annexure I to BOARD'S REPORT

Nomination, Appointment and Remuneration Policy

A. Introduction

This Policy on Nomination, Appointment and Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and Other Employees has been formulated and amended from time to time in accordance with the provisions of Section 178 of the Companies Act, 2013 (the Act) and the Listing Regulations by the Nomination and Remuneration Committee of the Directors of the Company.

B. Definitions

Directors :	Directors (other than Managing Director(s) and Whole-time Director(s)) appointed under the provisions of the Companies Act, 2013 and rules made thereunder.
Key Managerial Personnel	Managing Director(s), Whole-time Director(s), Chief Executive Officers of the businesses of the Company reporting to the Managing Director, Chief Financial Officer and Company Secretary.
Senior Management Personnel	Members of the Corporate Leadership Team of the Company (excluding Executive Directors), Chief Financial Officer and Company Secretary
Other Employees	Employees other than Key Managerial Personnel and Senior Management Personnel.

The terms "He" or "his" as mentioned in this Policy includes any gender.

C. Terms of Reference

The Board of Directors of the Company at its meeting held on 9th May, 2014 reconstituted the existing Remuneration Committee of Directors as "Nomination and Remuneration Committee" of Directors (the Committee). The terms of reference the Committee are as follows :-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Formulation of policies for remuneration to Directors, Key Managerial Personnel, Sr. Management Personnel and Other Employees.
- Identification and recommendation to Board of persons who are qualified to become Directors, Key Managerial Personnel and Sr. Management Personnel in accordance with the criteria laid down.
- Recommend to the Board on appointment and removal of Directors, Key Managerial Personnel and Sr. Management Personnel.
- Evaluation of the performance of Directors (other than independent directors).
- Evaluation of the performance of independent directors and make recommendations to Board.
- To oversee succession planning for Board of Directors, Key Managerial Personnel and Senior Management Personnel.
- Formulation of criteria for making payment to non-executive Directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

D. Criteria for recommending a person to become Director

The Committee shall take into consideration the following criteria of qualification, positive attributes and independence for recommending to the Board for appointment of a Director:-

1. Qualification & Experience

The incumbent shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales & marketing, operations, research, corporate governance, education, community service or other disciplines.

2. Attributes/Qualities

The incumbent Director shall possess one or more of the following attributes/qualities:-

- Respect for and strong willingness to imbibe the Company's Core Values.
- Honesty and Professional integrity.
- Strategic capability with business vision.
- Entrepreneurial spirit and track record of achievement.
- Ability to be independent
- Capable of lateral thinking.
- Reasonable financial expertise.
- Association in the fields of business/ corporate world/Finance/education/ community service/Chambers of Commerce & industry.
- Effective review and challenge to the performance of management.

3. In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the provisions of the Act, Listing Regulations and other applicable laws and regulations.

4. The incumbent should not be disqualified for appointment as a Director pursuant to the provisions of the Act or other applicable laws & regulations.

E. Directors' Remuneration

The Committee will approve the fixed remuneration to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations.

Commission to the Executive Directors, if any, will be recommended by the Committee to the Board for approval. The Committee/Board shall periodically review the remuneration of such Directors in relation to other comparable companies and other factors like performance of the Company etc. as deemed appropriate.

The Committee will recommend to the Board appropriate fees / commission to the non-executive directors for its approval. The Committee / Board shall inter alia, consider level of remuneration / commission payable by other comparable companies, time devoted, experience, providing guidance on strategic matters and such other factors as it may deem fit.

F. Evaluation

Performance evaluation of Executive Directors, Non-executive Directors, Independent Directors, Board as a whole, Board Committees and their members and Chairman shall be carried out in following manner:

a) **Performance evaluation of all individual Directors:** It shall be done annually by the Nomination and Remuneration Committee (NRC) as per the structure of performance evaluation (as per Annexure I & II). The outcome of the evaluation shall be shared by the Chairman of NRC with the Board.

b) **Performance evaluation of Independent Directors:** It shall be done, annually and at the time of their re-appointment, by NRC for deciding whether to extend or continue the term of appointment of independent directors. Based upon the recommendations of the NRC, the Board of Directors shall decide to continue their appointment or consider them for reappointment.

The performance evaluation of independent directors, in addition to feedback received from NRC, shall be done by the entire Board of Directors, excluding the director being evaluated as per the structure of performance evaluation (as per Annexure II).

- c) **Performance evaluation of the Board of Directors:** Board shall evaluate its own performance on criteria like discharge of duties and responsibilities under the Companies Act and Listing Regulations, fulfillment of its role with respect to guiding corporate strategy, risk policy, business plans, corporate performance, monitoring company's governance practices etc. and number of meetings held during the year as specified in annexure III (Part - A).
- d) **Performance evaluation of Board Committees:** The Board shall review the performance of all its committees annually on criteria for evaluation as specified in annexure III (Part - B).
- e) **Performance evaluation by independent directors at their separate meeting:** The Independent Directors in their separate meeting shall review performance of non-independent directors, Board as a whole, the Chairman of the company, taking into account the views of executive directors and non-executive directors;

The Chairman of meeting of Independent Directors or one selected by independent Directors shall share outcome of their abovementioned evaluations with the Chairman of the Board.

Chairman of the Board shall be responsible for giving feedback as and when required as a result of performance evaluation above and guide on preparation of a suitable action plan, if required.

G. Board Diversity

The Committee will review from time to time Board diversity to bring in professional experience in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy, education, community service and human resource management in the Company. The Company will keep succession planning and Board diversity in mind in recommending any new name of Director for appointment to the Board.

H. Eligibility criteria & Remuneration of Key Managerial Personnel, Senior Management Personnel and Other Employees

The eligibility criteria for appointment of Key Managerial Personnel, Senior Management Personnel and Other Employees shall be in accordance with the job description of the relevant position.

In particular, the position of Key Managerial Personnel should be filled by senior personnel having relevant qualifications and experience.

Remuneration Structure

i) Key Managerial Personnel and Senior Management Personnel

The remuneration structure for Key Managerial Personnel and Senior Management Personnel shall be as per the Company's remuneration structure taking into account factors such as level of experience, qualification, performance and suitability which shall be reasonable and sufficient to attract, retain and motivate them.

Nomination and Remuneration Committee shall recommend to the Board the remuneration/remuneration structure for senior management personnel every year.

ii) Other Employees

The remuneration for the Other Employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions and his/her last drawn remuneration in the previous organization.

The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

The annual increments to the remuneration paid to the employees shall be determined based on the appraisal carried out by the respective reporting managers/HODs of various departments as

ratified by Business Leadership Teams/Corporate Leadership Team (as applicable). Decision on Annual Increments shall be made on the basis of this appraisal. The remuneration would be benchmarked intermittently with a basket of identified companies comparable to SRF.

At the same time, the increments are largely fixed for Bands. In case, a specific correction is to be brought about for a particular employee or group of employees, rationalization on a one time basis may also be carried out.

The remuneration may consist of fixed and incentive pay/retention bonus reflecting short and

long-term performance objectives appropriate to the working of the Company and its goals.

The aforesaid Key Managerial Personnel, Senior Management Personnel and Other Employees may also be provided any facility, perquisites, commission, accommodation, interest free loans or loans at concessional rate in accordance with the policies framed for them or any category thereof.

However loan to the Directors who are KMPs shall be governed by such approvals as may be required by the Companies Act, 2013.

Annexure I

Performance Evaluation of Executive Directors

Name of Director :

Type of Directorship : Executive Director

Assessment of the following Roles/Attributes as performed by or observed in the Director whose performance is under evaluation:

S. No.	Role/Attribute	(Y/N)
1.	Attendance and participation in meetings of the Board of Directors and of the Board Committees	
2.	Advises Board on implementation of good corporate governance practices.	
3.	Exercised his/her duties with due & reasonable care, skill and diligence.	
4.	Acted in good faith and in the best interests of the Company towards promotion of interest of the stakeholders.	
5.	Conduct in compliance with the policies of the Company viz. Code of Conduct, Code of Conduct for Prevention of Insider Trading, Whistle blower Policy etc.)	
6.	Ensures compliance with applicable laws/ statutory obligations in the functioning of the Company.	
7.	Enhances Brand Equity	
8.	Encourages new initiatives/expansion/innovation	
9.	Encourages adherence to the principles of Quality, Cost, Delivery and safety (QCDS)	
10.	Resolves Investor complaints	
11.	Ensures talent retention	
12.	Encourages awards & recognitions Overall Performance (Remarks)	

Name of Director :

Signature :

Date & Place :

Annexure II**Performance Evaluation of Independent Directors / Non-Executive Directors****Name of Director :****Type of Directorship : Independent Directors / Non-Executive Director**

Assessment of the following Roles/Attributes as performed by or observed in the Director whose performance is under evaluation:

S. No.	Role/Attribute	(Y/N)
1.	Attendance and participation in meetings of the Board of Directors and of the Board Committees	
2.	Advises on implementation of good corporate governance practices.	
3.	Independent in judgement and actions	
4.	Exercised his/her duties with due & reasonable care, skill and diligence.	
5.	Acted in good faith and in the best interests of the Company towards promotion of interest of the stakeholders.	
6.	Conduct in compliance with the policies of the Company viz. Code of Conduct, Code of Conduct for Prevention of Insider Trading, Whistle blower Policy etc.)	

Name of Director :

Signature :

Date & Place :

Annexure III**Criteria for Evaluation of the Board of Directors****A**

Performance of Board as a whole	Evaluation Criteria
	Discharge of duties and responsibilities under the Companies Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
	<ul style="list-style-type: none"> Fulfilment of role of the Board (for instance guiding corporate strategy, risk policy, business plans, corporate performance, monitoring company's governance practices etc.). Number of Board Meetings held during the year.

B

Performance of Board Committees	Evaluation Criteria
	<ul style="list-style-type: none"> Fulfilment of role of the Committee with reference to its terms of reference, the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Number of committee meetings held during the year.

For **and on Behalf of the Board****Arun Bharat Ram**

Chairman

(DIN: 00694766)

Date: June 04, 2020

Place: New Delhi

Annexure II to BOARD'S REPORT

Annual Report on CSR for the Financial Year Ended March 31, 2020

- 1) A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

As per the requirement of Section 135 of the Companies Act, 2013, the Company had laid down a CSR Policy under which the Company had identified projects as per the Schedule VII of the Act in the following areas for the year 2019-20:-

- **Promotion of Education:** Improving Quality of Education and Developing School infrastructure of Govt. Schools.
- **Employment enhancing vocational skills:** Focusing on imparting appropriate skills as per the market and industry needs and providing a platform to the youth trained to be gainfully self-employed or linking them with potential employers to increase their employability and livelihood;
- **Environment:** Plantation, maintenance of paals, recharging ground water etc.
- **Art and Culture:** Lecture cum demonstration session on classical music, dance, folk form, craft, yoga, heritage, nature walk, Indian Philosophy etc. and & Centenary Celebration of Pt. Ravisankar.
- **Rural Development:** Construction of community shed, village roads / community assets / village development activities/ temporary shelter for homeless etc.

The Details of the CSR Policy and projects or programs proposed to be undertaken under the same, from time to time, is posted on: [https://www.srf.com/pdf/2015%20\(05\)%2011%20-%20SRF%20-%20CSR%20Policy%20-%20Board%20approved.pdf](https://www.srf.com/pdf/2015%20(05)%2011%20-%20SRF%20-%20CSR%20Policy%20-%20Board%20approved.pdf)

The Composition of the CSR Committee
Dr. Meenakshi Gopinath, (Chairperson)
Mr. Arun Bharat Ram (Member)
Mr. Kartik Bharat Ram, (Member)
Mr. L. Lakshman, (Member)

- 2) Average Net Profit of SRF Ltd for last three financial years

Net profit for the year:-

2018 – 19: ₹ 696.58 Cr.

2017 – 18: ₹ 496.76 Cr.

2016 – 17: ₹ 551.19 Cr.

Average Net Profit: ₹ 581.51 Cr.

2% of Avg. Net Profit: ₹ 11.63 Cr. (approx.)

- 3) Prescribed CSR Expenditure – ₹ 11.63 Cr. (approx.)

- 4) Details of CSR Spent during the financial year

- a. Total Amount spent for the financial year – ₹ 12.00 Cr.
- b. Amount unspent, if any – 0.00 Cr.
- c. Manner in which the amount spent during the financial year is detailed below:-

₹ in Crores

S. No.	CSR Project or activity identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or Programs 1. Local area or other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs / project Sub- heads: 1. Direct expenditure on projects or programs 2.Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
1.	School Education	Cl. (ii) Promoting Education	Local Area Mewat (Haryana); Kashipur, Pantnagar (Ultrakhand); Dhar, Gwalior/Bhind and Bhopal (Madhya Pradesh); Bhiwadi (Rajasthan); Bharuch (Gujarat); Pudukottai, Chennai and Tiruvallur (Tamil Nadu); Other Area Kamrup Metro (Assam)	7.90 0.60	9.05 0.61	9.05 0.61	Implementation Agency – SRF Foundation
2.	Vocational Skills	Cl. (ii) Employment Enhancing Vocational Skills	Local Area Bhind (Madhya Pradesh), Tiruvallur (Tamil Nadu)	0.25	0.23	0.23	Implementing Agency – SRF Foundation
3.	Environment	Cl. (vi) Ensuring Environmental Sustainability	Local Area Alwar (Rajasthan)	0.20	0.18	0.18	Implementation Agency – SRF Foundation in association with SPACE
4.	Rural Development	Cl. (xiii) Rural Development	Local Area Alwar (Rajasthan) & Bharuch (Gujarat)	0.20	0.17	0.17	Implementing Agency – SRF Foundation
5.	Art & Culture	Cl. (viii) Art & Culture	Other Area In college/school auditorium of Tamil Nadu, Madhya Pradesh, Gujrat & Delhi NCR; & Centenary Celebration of Pt. Ravisankar	2.25	1.19	1.19	Implementing Agency – SRF Foundation through Spic Macay
6	CSR Capacity Building & Overheads			0.60	0.57	0.57	
Total				12.00	12.00	12.00	

Details of Implementing Agency: SRF Foundation, Year of Establishment – 1982, Founder – SRF Ltd.

Director – Dr. Y. Suresh Reddy

Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company, is reproduced below:-

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and Policy of the Company.'

Sd/-
Ashish Bharat Ram
Managing Director
Place: Gurugram

Sd/-
Dr. Meenakshi Gopinath
Director (CSR)
Place: New Delhi

Date: June 04, 2020

Annexure III to BOARD'S REPORT

ESPS Disclosures

Details related to ESPS

- (i) Details of allotments made under **Part-B of SRF ESPS 2018 of SRF Limited (SRF) Employees Long Term Share Based Incentive Plan – 2018** during the financial year 2019-20:
 - (a) Date of shareholders' approval: **March 26, 2018**
 - (b) Number of shares issued: **Nil**
 - (c) The price at which such shares are issued: **N.A.**
 - (d) Lock-in period: **N.A.**
- (ii) Details regarding allotment made under **Part-B of SRF ESPS 2018 of SRF Limited (SRF) Employees Long Term Share Based Incentive Plan – 2018**, as at the end the financial year 2019-20:

Particulars*	Details
The details of the number of shares issued under ESPS	60,000
The price at which such shares are issued	10/-
Employee-wise details of the shares issued to:	
(i) Senior managerial personnel	Mr. Prashant Yadav - 20,000 shares Mr. Prashant Mehra - 20,000 shares Mr. Anurag Jain - 20,000 shares
Consideration received against the issuance of shares, if scheme is implemented directly by the company	₹ 6,00,000/-
Loan repaid by the Trust during the year from exercise price received	NA

*Allotment made during 2018-19

Details related to Trust

Details, inter alia, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the Regulations :-

(i) General information on all schemes:

S. No	Particulars	Details
1	Name of the Trust	SRF Employees Welfare Trust
2	Details of the Trustee(s)	SRF Employee Benefit Scheme LLP
3	Amount of loan disbursed by company / any company in the group, during the year	NIL
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	NIL
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	NIL
6	Any other contribution made to the Trust during the year	₹ 25,000/- for meeting its operating expenses.

(ii) Brief details of transactions in shares by the Trust

(a)	Number of shares held at the beginning of the year;	NIL
(b)	Number of shares acquired during the year through	
(i)	primary issuance	NIL
(ii)	secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;	NIL
(c)	Number of shares transferred to the employees / sold along with the purpose thereof	NIL
(d)	Number of shares held at the end of the year	NIL

(iii) In case of secondary acquisition of shares by the Trust

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	NIL
Acquired during the year	NIL
Sold during the year	NIL
Transferred to the employee during the year	NIL
Held at the end of the year	NIL

For and on Behalf of the Board

Arun Bharat Ram

Chairman

(DIN: 00694766)

Date: June 04, 2020

Place: New Delhi

Annexure IV to BOARD'S REPORT

Independent Auditors' Report on Compliance with the Corporate Governance requirements under The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of **SRF Limited**

1. This report is issued in accordance with the terms of our engagement letter dated 27 May 2020.
2. The accompanying Corporate Governance Report prepared by SRF Limited ("the Company") contains details of compliance of conditions of corporate governance by the Company for the year ended 31 March 2020, as stipulated in Regulations 17-27, clauses (b) to (i) of the Regulation 46(2) and paragraphs C, D and E of the Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") pursuant to the Listing Agreement of the Company with stock exchanges.

Managements' Responsibility

3. The preparation of the Corporate Governance Report is the responsibility of the Management including the preparation and maintenance of all the relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Corporate Governance Report.
4. The Management, along with the Board of Directors, is also responsible for ensuring that the Company complies with the conditions of the Corporate Governance and provides all relevant information to Securities and Exchange Board of India. The management shall comply with the corporate governance provisions which shall be implemented in a manner so as to achieve the objectives of the principles.

Auditor's Responsibility

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI's Listing regulations for the year ended 31 March 2020.
6. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the subject matter stated in the above paragraph. The procedures selected, including procedures for assessment of the risk associated with the subject matter, depends on the auditor's judgment.
7. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
8. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, ("the Guidance Note"), issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by ICAI.

Opinion

10. In our opinion, and to the best of our information and according to the explanations and representations given to us, we are of the opinion that the Company has complied with the conditions of the Corporate Governance as stipulated in Listing Regulations, as applicable as at 31 March 2020, referred to in paragraph 2 above.
11. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on Use

12. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with the obligations under the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

Kaushal Kishore

Partner

Membership Number: 090075

UDIN: 20090075AAAAAL3224

Place: Delhi

Date: 4 June 2020

Annexure V to BOARD'S REPORT

SRF Limited - Dividend Distribution Policy

OBJECTIVES	This Policy shall provide the underlying philosophy, rationale and guidelines to distribute the surplus generated by the company, among its shareholders by way of cash Dividend including interim Dividend.
PHILOSOPHY	The philosophy of the Company is to maximise the shareholders' wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilise its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter distributing the surplus profits in the form of dividend to the shareholders.
KEY PROCESSES THE GUIDELINES GOVERNS	CFAST (Treasury) CFAST (Secretarial)
REGULATORY FRAMEWORK	This Dividend Distribution Policy has been formulated in line with Clause 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which require the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a Dividend distribution policy which shall be disclosed in their annual reports and on their websites.
PARAMETERS FOR DECLARATION OF DIVIDEND	<p>Board of Directors of the Company shall consider the following parameters for declaration of Dividend :-</p> <p>Financial Parameters/Internal Factors</p> <ul style="list-style-type: none"> • Standalone and Consolidated profit after tax • Working capital requirements • Capital expenditure requirements • Resources required to fund acquisitions and/or new businesses • Return on Capital Employed • Cost of borrowings • Cash flow required to meet contingencies • Outstanding borrowings and their servicing • Covenants in the financial facilities agreements • Past Dividend trends <p>External Factors</p> <ul style="list-style-type: none"> • Prevailing statutory requirements, regulatory conditions or restrictions laid down under applicable laws including tax laws. • Dividend pay-out ratios of comparable companies. • Macroeconomic conditions • Expectations of major stakeholders including small shareholders.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND	<p>Shareholders may not expect Dividend under the following circumstances :-</p> <ul style="list-style-type: none"> • Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital; • Significantly higher working capital requirements adversely impacting free cash flow; • Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital; • Whenever it proposes to utilise surplus cash for buy-back of securities • In the event of inadequacy of profits or whenever the Company has incurred losses; or • Any other event in which the Board of Directors may deem it fit to not declare dividend.
UTILISATION OF RETAINED EARNINGS	<p>The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:</p> <ul style="list-style-type: none"> • Expansion plans; • Product expansion plans; • Increase in production capacity; • Modernization plans; • Diversification of business; • Mergers and acquisitions; • Long term strategic plans; • Replacement of capital assets; • Where the cost of debt is expensive; • Other such criteria as the Board may deem fit from time to time.
PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES	<ul style="list-style-type: none"> • Presently, the Authorised Share Capital of the Company is divided into equity share of ₹ 10 each, Preference shares of ₹ 100 each, Cumulative convertible Preference shares of ₹ 50 each and Cumulative Preference shares of ₹ 100 each. At present, the issued and paid-up share capital of the Company comprises only equity shares. • The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares. • As and when the Company issues Preference shares, the Board may suitably amend this Policy.
PROCEDURE	<ul style="list-style-type: none"> • The Chief Financial Officer in consultation with the MD of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of Directors of the Company. • The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal. • Pursuant to the provisions of applicable laws and this Policy, interim Dividend will be approved by the Board of Directors and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company. • The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.
DISCLOSURE	<ul style="list-style-type: none"> • Company shall make appropriate disclosures as required under SEBI Regulations, Companies Act, 2013 and other applicable laws.

GENERAL

- This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.
- The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
- In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For **and on Behalf of the Board**

Arun Bharat Ram

Chairman

(DIN: 00694766)

Date: June 04, 2020

Place: New Delhi

Annexure VI to BOARD'S REPORT

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
SRF Limited

(L18101DL1970PLC005197)
The Galleria, DLF Mayur Vihar,
Unit No. 236 & 237, 2nd Floor, Mayur Place,
Mayur Vihar Phase I Extension, New Delhi-110091.

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

We report that-

- 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, provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of the financial statements of the Company.
- Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the

management. Our examination was limited to the verification of procedures on test basis.

- f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- g) Some of the books and papers were verified through online means due to the prevailing lockdown (COVID-19) and due efforts have been made by the Company to make available all the relevant documents & records and by the Auditors to conduct and complete the audit in aforesaid lockdown conditions.

Based on our verification of the Company's 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 ("Audit Period") complied with the 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 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, where applicable;

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) *The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

*No event took place under these regulations during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, to the extent applicable, as mentioned above.

(vi) The Company is engaged in manufacturing of –

- **Chemicals** plants located at Alwar, Rajasthan; and Bharuch, Gujarat, Manali, Tamil Nadu;
- **Technical Textiles** plants at Chennai, Tamil Nadu; Bhind, Madhya Pradesh; Thiruvallur, Tamil Nadu; Pudukottai, Tamil Nadu;
- **Packaging Films** plants at Indore, Madhya Pradesh;

Following are some of the laws specifically applicable to the Company:-

- Narcotics Drugs and Psychotropic substance Act, 1985;
- Legal Metrology Act, 2009;
- SEZ Act, 2005 and SEZ Rules, 2006;
- The chemical weapons convention Act, 2000;

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 notices are 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.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be 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.

We further report that the members in their Annual General Meeting held on 5th August, 2019 have passed the following Special Resolutions:

- Authorization given to the Board of Directors of the Company to issue, offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, aggregating upto ₹ 500 Crores (Rupees five hundred Crores), on private placement basis.
- Approval of new set of Articles of Association and adopted in substitution, and to the entire exclusion of the existing Articles of Association of the Company."

For **Sanjay Grover & Associates**

Company Secretaries
Firm Registration No.: P2001DE052900

Sd/-

Devesh Kumar Vasisht

Partner

New Delhi
June 4, 2020

CP No.: 13700, FCS No. F8488
UDIN: F008488B000315674

Annexure VII to BOARD'S REPORT**Details Pertaining to Remuneration as Required Under Section 197(12) of the Companies Act, 2013 Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary and CEO during the financial year 2019-20 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under:

S. N.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2019-20 (₹/Crores)	% increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director to median remuneration of employees
1	Arun Bharat Ram Chairman	5.83	5.42%	135.6
2	Ashish Bharat Ram Managing Director	6.94	17.43%	161.4
3	Kartik Bharat Ram Deputy Managing Director	6.85	17.29%	159.3
4	Dr. Meenakshi Gopinath Director (CSR)	0.15	0.00%	3.5
5	Tejpreet S Chopra Non-Executive Director	0.15	7.14%	3.5
6	Lakshman Lakshminarayan Non-Executive Director	0.16	14.29%	3.7
7	Vellayan Subbiah Non-Executive Director	0.15	15.38%	3.5
8	Bharti Gupta Ramola Non-Executive Director	0.15	NA	3.5
9	Yash Gupta Non-Executive Director	0.16	NA	3.7
10	Puneet Dalmia Non-Executive Director	0.14	NA	3.3
11	Pramod G Gujarathi Director (Safety and Environment)	0.19	0.00%	4.4
12	Prashant Mehra President & CEO (Packaging Films Business, CF & LF)	4.16	-30.78%	Not Applicable
13	Prashant Yadav President & CEO (Fluorochemicals Business)	4.04	-32.44%	Not Applicable

S. N.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2019-20 (₹/Crores)	% increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director to median remuneration of employees
14	Anurag Jain President & CEO (Specialty Chemicals Business and CTG)	4.09	-32.06%	Not Applicable
15	Sanjay Chatrath President & CEO (Technical Textiles Business)	2.52	34.04%	Not Applicable
16	Rahul Jain President & CFO	1.72	59.26%	Not Applicable
17	Rajat Lakhanpal* VP - Corporate Compliance and Company Secretary	0.66	-	Not Applicable

*Appointed during the year.

- (ii) The median remuneration of employees of the Company as on March 31, 2020 was ₹ 0.043 Crores as compared to ₹ 0.039 Crores as on March 31, 2019. The increase in median remuneration was 10.26% as compared to 2018-19.
- (iii) There were 6299 permanent employees on the rolls of the Company as on March 31, 2020.
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 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.

Category	Average Increase
Employees' remuneration (other than Directors)	8.9%
Managerial remuneration (Directors)	13.4%

The increase in managerial remuneration and remuneration of other employees is a function of many factors such as company performance, compensation philosophy, market competitiveness, local agreements with unions and the total number of employees. The % increase in remuneration in the financial year 2019-20 for some managerial personnel is negative due to allocation of shares under the SRF Long Term Share Based Incentive Plan (SRF LTIP) in the year 2018-19.

- v) It is hereby affirmed that the remuneration paid is as per the Nomination, Appointment and Remuneration Policy of the Company.

For and on Behalf of the Board

Arun Bharat Ram

Chairman

(DIN – 00694766)

Date: June 4, 2020

Place: New Delhi

Annexure VIII to BOARD'S REPORT

A) Conservation of Energy – Measures taken:

1. Laminated Fabrics Business, Kashipur

- Saved 130,680 KWH / annum by converting cold lamination line CL-2 into semi hot lamination line
- Saved 229.90 MT of FO / annum by integrating hot oil circulating systems of PFB & LFB
- Saved 25,740 KWH / annum by installing on line slitting facility at the lamination machines
- Saved 47,520 KWH / annum by eliminating 1 No hot oil circulating system from semi hot lamination line

2. Coated Fabrics Business, Gummidipoondi

- VFD panel installed to reduce the fan and pump for energy conservation which gives power saving of -2,50,000 KWH/annum
- Led light installation, cooling tower fan switching off and chiller setting optimizing in winter season which gives power saving of -3,00,000-KWH/annum

3. Packaging Films Business, Indore (SEZ)

- Saved 40,87,917 KWH (July-19 to Mar-20) i.e. 54,50,556 KWH/annum from chilled water system by installation of energy efficient AHU, chilled water operated FCU's, installation of chill roll cooling water circulation pump
- Saved 6,11,398 KWH (July-19 to Mar-20) i.e. 8,15,197 KWH/annum from Line-2 TDO system by optimization of blowers speed and by automation of motor start/stop sequences according to plant running MODES
- Saved 1,94,354 KWH (July-19 to Mar-20) i.e. 2,59,139 KWH/annum from air compressors by installation of lean phase CP conveying system, compressed air optimization for energy and air quality

4. Packaging Films Business, Indore DTA

- Saved 14,00,000 KWH/annum from extruder oil heating unit by shifted it on oil injection loop heating and stop the electrical heating
- Saved 4,20,000 KWH /annum in TDO by reducing the speed of penthouse blowers
- Saved 1,75,000 KWH /annum from chill roll cooling pump by reducing the speed of pump in mode-1
- Saved 1,75,000 KWH/annum from crystallizer blower by reducing the speed of blower motor in standby mode
- Saved 70,000 KWH/ annum from RMH by start the erema chips batching system & stop the blower during the batch completion
- Saved 70,000 KWH /annum from pet coke boiler by running the secondary loop pump on VFD
- Saved 16,425 KWH/annum from open loop cooling tower by replacement of energy efficient fan of one cooling tower

5. Packaging Films Business, Kashipur

- Saving of 50,600 KWH by replacing piston type vacuum pump with installation of energy efficient vacuum pump in metallizer
- 3,11,000 KWH saved by replacing DC drive with Ac drive system in main plant and slitter
- Optimised the energy of main plant AHU with temperature controller

6. Fluorochemicals Business Bhiwadi

- Saving of 25638 lacs kcal of energy (₹ 44.95 lacs) by steam recovery from LP gland seal of turbine in CPP
- Saving of 9886 lacs kcal of energy (₹ 11.5 lacs) by steam condensate recovery
- Saving of 3290.4 lacs kcal of energy (₹ 8.82 lacs) from vacuum Pump system in turbine

- Saving of 13585 KWH of electricity (₹ 1.1 lacs) by replacing conventional CFLs with LED lights
- Saving of 14003 KWH of electricity (₹ 1.14 lacs) by providing variable frequency drives in AHF Plant

7. Fluorochemicals Business Dahej

- Saving of 0.34 lacs KWH per annum (₹ 1.93 lacs) by replacing conventional lights by LED lights

8. Specialty Chemicals Business Bhiwadi

- Savings of 2.15 lacs KWH (₹ 16.1 lacs) by installation of energy efficient chiller
- Savings of 1.35 lacs KWH (₹ 10.1 lacs) due to internal design change in cooling tower pumps
- Savings of 1.05 lacs KWH (₹ 7.9 lacs) due to VFD provision in pumps
- Savings of 63875 KWH (₹ 4.8 lacs) by changing the internal design in hot oil pumps for P2 plant
- Savings of 43140 KWH (₹ 3.24 lacs) by replacement of old steam traps

9. Specialty Chemicals Business Dahej

- Savings of 29.57 lacs KWH (₹ 170.1 lacs/annum) due to power consumption optimization by stopping the idle running equipment
- Savings of 7.54 lacs KWH (₹ 43.3 lacs/annum) by stopping the PP-1 plant's HVAC water chiller and replacing it by chilled water from process chiller
- Savings of 2.25 lacs KWH (₹ 12.9 lacs/annum) due to installation of Rotary Switch/Timer in the plant
- Savings of 1.74 lacs KWH (₹ 10 lacs/annum) by power consumption optimization through pump impeller trimming
- Savings of 1.04 lacs KWH (₹ 6 lacs/annum) by operating UPS in ECO-Mode
- Savings of 65916 KWH (₹ 3.8 lacs/annum) by isolating 2 heaters (air dryer 1709 B

and C heaters) out of total 4 heaters and running the system on remaining 2 heaters

- Savings of 51846 KWH (₹ 3 lacs/annum) due to replacement of CFL/250W by LED lights
- Savings of 45000 KWH (₹ 2.6 lacs/annum) by removal of VFD /soft starter

10. Technical Textiles Business – Gwalior

- Saving of 370000 KWH p.a. power by replacing conventional blowers with mono block fans in Air washers.
- 90000 KWH p.a. power saved by installing energy efficient FRP fans by replacing metallic fans textile air washers.
- Replaced chilled water coils in quench air washer and saved 160000 KWH power p.a.
- Corocoating carried out in utility and process cooling tower pumps and energy saved 50000 KWH p.a.
- Installed inverter in process cooling tower pumps and replaced feed water pump, saved 99000 KWH p.a.
- Installed energy efficient motor, capacitors, inverter and saved 187000 KWH p.a.
- Reduction in compressed air consumption by installing modified air guides in spinning. Power saved 408000 KWH p.a.
- 190000 KWH power saved by providing LED lights in plant.

11. Technical Textiles Business – Manali

- Installed Energy efficient Motors (IE-3 standard) in Utility (12 no's). Saved power 250277 KWH p.a.
- Replaced energy saving LED lights in Textile, Utility & Canteen (174 no's) from conventional light. Energy saving- 192996 KWH p.a.
- Automation of lighting system with help of Presence detectors & Timers in the plant- Energy saving- 16104 KWH p.a.
- Stopping of baby cooling tower, and lined up main tower without any changes in

polymerization. Annualised Power savings – 34444 KWH

- Reduction in consumption of compressed air for Looms in Textile from 75 CFM to 55 CFM by changing relay nozzle types and adopting best practices – Energy saving- 44650 KWH p.a.

12. Technical Textiles Business – Gummidipoondi

- Saving of 25348 KWH p.a. of power through Hollow FRP blades, VFD installation for Utility cooling tower fan
- Saving of 43169 KWH p.a. of power through installation of energy efficient pumps.
- Saving of 50680 KWH p.a. of power through reduction in compressed air losses by tracing the leaks through Ultrasonic leak detector
- Savings of 42453 KWH p.a. through Installation of VFD for Textile AHUs, Office AHU & WTP filter water pump.
- Savings of 42435 KWH p.a. through Installation of energy efficient motors for 840D twisters.
- Savings of 23508 KWH p.a. by Installation of VFD for PIY 3313 air blower.
- Savings of 25316 KWH p.a. by automation of lighting system in Dipping & stores areas.

13. Technical Textiles Business – Viralimalai

- Saved power 7139 KWH p.a. by optimization of the Twister motor Capacity.
- Saved power 12787 KWH p.a. by Auto Cutoff of HSD Roof exhaust.
- Achieved a savings of 23414 KWH p.a. by replacing the conventional light to energy efficient LED.

Capital Investment on Energy Conservation Equipment:

Coated Fabrics

- Solid fired thermic fluid heater investment for ₹ 2.4 cr which will give annual saving on energy is ₹ 100 lacs.

Packaging Films Business, Indore SEZ

Description of Asset	Amount
• Energy efficient AHU's (Air Handling unit) with TFA	227.09 lacs
• Installation of chilled water operated FCU's (Fain Coil Unit)	166.31 lacs
• Compressed air optimization for energy	51.93 lacs
• Lean phase CP conveying system	25.78 lacs
• Installation of chill roll pump	2.57 lacs

Packaging Films Business, Kashipur

• Installation of energy efficient vacuum pump in metallizer	27.83 lacs
--------------------------------------------------------------	------------

Specialty Chemicals Business Bhiwadi:

- Installation of energy efficient chiller: ₹ 25 lacs
- VFD provision in Pumps: ₹ 2 lacs
- Replacement of old steam traps: ₹ 0.5 lacs

Specialty Chemicals Business Dahej:

- Investment in providing chilled water from process chiller in PP-1: ₹ 3.5 lacs
- Installation of rotary switch / timer in plant: ₹ 1 lacs
- Replacement of CFL/250W by LED lights: ₹ 0.5 lacs

Technical Textiles Business Manali:

- Installation of Energy efficient Motors (IE-3 standard) in Utility (12 no's).

Technical Textiles Business Gwalior:

- Conventional blowers replaced with mono block fans in air washers.
- Metallic blades replaced with FRP blades in air washers.
- Zero Liquid Discharge (ZLD) installed for treatment of wastewater.
- Air monitoring system installed for real time online ambient air monitoring and analysis.

Technical Textiles Business Gummidipoondi:

- Installation of VFD & hollow blades for Utility Cooling tower fans.
- EC fans for TW AHUs

B) Technology Absorption

Specialty Chemicals Business:

The Specialty Chemicals Business produces a number of high-value products from both dedicated and flexible manufacturing assets. The Business is engaged with reputed domestic as well as global innovators for developing new products in our chosen markets. The focus has been to leverage the company's expertise for products used in the agrochemical and pharmaceutical industries.

The Business relies on R&D and technology development at SRF to develop new age molecules for leading innovators in Agrochemical and Pharmaceutical space. These molecules are used as intermediates in the development of the final product. Apart from developing new age molecules, the R&D and technology teams also help in scaling up the capacity of existing products with a focus on lowering the cost of production and also improving the existing design parameters to increase the yields and thus the overall throughput.

Some of the areas where technology has been absorbed in this period are:

- Building process development capabilities to go beyond reported chemistries and technologies by developing novel processes
- Enhance capabilities to cater efficiently from market assessment to meeting customer needs
- Capacity and production yields of several product were significantly enhanced
- Strong emphasis on waste generation minimization
- Technological learnings from new projects were deployed horizontally to enrich overall delivery

The Business would continue to invest in technologies and research that enables continuous process improvements and technological advancements.

Technical Textiles Business:

The R&D centre of Technical Textiles Business is located at Manali, Chennai. Equipped with state-of-the-art Pilot facilities and sophisticated testing laboratories for evaluating Polymers, Fibers and fabrics, the TTB-R&D centre aims at maximizing competitiveness of Technical Textiles Business through market oriented new product/technology development. In this regard, the R&D centre has developed many variants of Polyester Industrial Yarns for as reinforcements in geotextiles, fiber reinforced composites etc., and Aramid based reinforcement fabric for hoses, each tailor-made for the respective application.

Apart from the developments in existing business space, novel products involving Nano-technology are also being developed by this centre in close association with leading Academic and Research Institutes in India and abroad for various research projects. TTB-R&D also works in close collaboration with major customers for joint developments in the field of Tyre cords, belting fabrics and other Mechanical Rubber Good reinforcements.

C) Foreign exchange earnings and outgo

(₹ in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2020
Foreign Exchange Earnings	2250.11	2645.08
Foreign Exchange outgo	2224.79	1808.14
Net Foreign Exchange Earnings	25.32	836.94

For and on Behalf of the Board

Arun Bharat Ram

Chairman

(DIN: 00694766)

Date: June 4, 2020

Place: New Delhi

Annexure IX to BOARD'S REPORT**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other Details		
i)	CIN	L18101DL1970PLC005197
ii)	Registration Date	9 th January, 1970
iii)	Name of the Company	SRF Limited
iv)	Category/Sub-category of the Company	Public Company/Limited by shares
v)	Address of the Registered Office and contact details	The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2 nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091 Tel : +91 11 49482870 Fax : +91 11 49482900
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any.	KFin Technologies Private Limited Karvy Selenium Tower-B Plot No. 31 & 32, Financial District, Gachibowli Nanakramguda, Hyderabad 500 032 Tel No.: +91 040 6716 2222, Fax No.: +91 2300 1153 Toll Free: 1800-345-4001 E-mail: einward.ris@kfintech.com
II. Principal Business Activities of the Company		
	All the business activities contributing 10% or more of the total turnover of the Company	As per Attachment A
III. Particulars of Holding, Subsidiary and Associate Companies		
		As per Attachment B
IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)		
i)	Category-wise Share Holding	As per Attachment C
ii)	Shareholding of Promoters	As per Attachment D
iii)	Change in Promoter's Shareholding	As per Attachment E
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment F
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment G
V. Indebtedness		
	Indebtedness of the Company including interest outstanding /accrued but not due for payment	As per Attachment H
VI. Remuneration of Directors and Key Managerial Personnel		
i)	Remuneration to Managing Director, Whole-time Directors and/or Manager	
ii)	Remuneration to other Directors	
iii)	Remuneration to Key Managerial Personnel other than MD/Manager/WTM	
VII. Penalties/Punishment/Compounding of Offences		

ATTACHMENT A

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company are given below-

S. No.	Name and Description of main products /services	NIC Code of the product/ service*	% to total turnover of the Company
1.	Technical Textiles Business	139	21.37%
2.	Chemicals Business	201, 210	47.15%
3.	Packaging Films Business	222	27.09%

*As per National Industrial Classification- Ministry of Statistics and Programme Implementation.

ATTACHMENT B

III. Particulars of holding, subsidiary and associate companies

S. N.	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	KAMA Holdings Ltd.	Unit no. 236 & 237, 2 nd floor DLF Galleria, Mayur place Noida Link Road Mayur Vihar Phase-1 Extension Delhi-110091	L92199DL2000PLC104779	Holding	52.28	2(46)
2.	SRF Global B.V.	Keizersgracht 391A, 1016EJ, Amsterdam, the Netherlands	N.A.	Subsidiary	100.00	2(87)(ii)
3.	SRF Industries (Thailand) Ltd.	D-20, Hemraj Eastern Seaboard Industrial Estate, 112 Moo 3, Tambon Tasith, Amphur Pluakdaeng, Rayong Province, Thailand	N.A.	Subsidiary	100.00	2(87)(ii)
4.	SRF Flexipak (South Africa) (Pty) Ltd.	5, Eddie Hagan Drive, Cato Ridge, KwaZulu-Natal, South Africa	N.A.	Subsidiary	100.00	2(87)(ii)
5.	SRF Industex Belting (Pty) Ltd.	5, Eddie Hagan Drive, Cato Ridge, KwaZulu-Natal, South Africa	N.A.	Subsidiary	100.00	2(87)(ii)
6.	SRF Europe Kft	1053 Budapest, Károlyi utca 12. 3. emelet, Hungary;	N.A.	Subsidiary	100.00	2(87)(ii)
7.	SRF Holiday Home Ltd.	Unit no. 236 & 237, 2 nd floor DLF Galleria, Mayur place Noida Link Road Mayur Vihar Phase-1 Extension Delhi-110091	U45200DL2006PLC156147	Subsidiary	100.00	2(87)(ii)
8.	Malanpur Captive Power Ltd.	Ground Floor, Tower C First India Place, Mehrauli Gurgaon Road Gurugram-122002 IN	U74909DL2005PLC131985	Associate	22.60	2(6)
9.	Vaayu Renewable Energy (Tapti) Private Limited	Harekrishna Presidency Society, North South Road No. 8, Vile Parle (West), Mumbai- 400 053	U40300MH2011PTC219995	Associate	26.32	2(6)

ATTACHMENT C**II. Shareholding pattern (equity share capital breakup as percentage of total equity)****i. Category-wise Share Holding**

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2019				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2020				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	27500	0	27500	0.05	27500	0	27500	0.05	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	30049000	0	30049000	52.28	30049000	0	30049000	52.28	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1):	30076500	0	30076500	52.32	30076500	0	30076500	52.32	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2):	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	30076500	0	30076500	52.32	30076500	0	30076500	52.32	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	6780744	4403	6785147	11.80	6588665	3503	6592168	11.47	-0.34
(b)	Financial Institutions /Banks	33162	4789	37951	0.07	32810	3906	36716	0.06	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	329710	200	329910	0.57	141332	200	141532	0.25	-0.33
(f)	Foreign Institutional Investors	9828076	0	9828076	17.10	11975408	0	11975408	20.83	3.74
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1):	16971692	9392	16981084	29.54	18738215	7609	18745824	32.61	3.07
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	1969477	18034	1987511	3.46	687237	11274	698511	1.22	-2.24
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	5515092	996087	6511179	11.33	5262442	840559	6103001	10.62	-0.71
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	677562	0	677562	1.18	517801	0	517801	0.90	-0.28

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2019				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2020				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(c)	Others									
	CLEARING MEMBERS	61713	0	61713	0.11	181731	0	181731	0.32	0.21
	I E P F	338789	0	338789	0.59	367107	0	367107	0.64	0.05
	NBFC	38160	0	38160	0.07	1942	0	1942	0.00	-0.06
	NON RESIDENT INDIANS	103555	5814	109369	0.19	84301	4096	88397	0.15	-0.04
	NRI NON-REPATRIATION	694399	0	694399	1.21	695868	0	695868	1.21	0.00
	TRUSTS	4234	0	4234	0.01	3818	0	3818	0.01	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2):	9402981	1019935	10422916	18.13	7802247	855929	8658176	15.06	-3.07
	Total B=B(1)+B(2):	26374673	1029327	27404000	47.68	26540462	863538	27404000	47.68	0.00
	Total (A+B):	56451173	1029327	57480500	100.00	56616962	863538	57480500	100.00	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C):	56451173	1029327	57480500	100.00	56616962	863538	57480500	100.00	

*The voting rights on these shares shall remain frozen till the rightful owner claims the shares [Refer to Section 124 of the Companies Act, 2013].

ATTACHMENT D

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (01/04/2019)			Shareholding at the end of the year (31/03/2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the co.	% of Shares Pledged / encumbered to total shares	% of total Shares of the co.	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year	
1.	KAMA Holdings Limited	3,00,49,000	52.28	0.00	3,00,49,000	52.28	0.00	0.00
2.	Arun Bharat Ram	27,500	0.05	0.00	27,500	0.05	0.00	0.00
	Total	3,00,76,500	52.32	0.00	3,00,76,500	52.32	0.00	0.00

ATTACHMENT E

iii. Change in Promoters' Shareholding

Sr. No	Shareholder's Name	Shareholding		Date	Increase/ Decrease in Shareholding	Cumulative Holding during the year (01/04/2019 to 31/03/2020) % of total Shares of the company
		No. of Shares at the beginning (01/04/2019) / end of the year (31/03/2020)	% of total Shares of the company			
1.	KAMA Holdings Limited	3,00,49,000	52.28	01-Apr-19	No Change	52.28
		3,00,49,000	52.28	31-Mar-20		
2.	Arun Bharat Ram	27,500	0.05	01-Apr-19	No Change	0.05
		27,500	0.05	31-Mar-20		

ATTACHMENT E**iv. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	Shareholder's Name	No. of shares at beginning (01/04/2019)/ end of the year 31/03/2020	Share holding % of total shares of the company	Increase/Decrease in shareholding				Cumulative Holding During year (01/04/2019 to 31/03/2020)	
				Date	Buying	Selling	Reason		% of total shares of the company
1	AMANSA HOLDINGS PRIVATE LIMITED	4442241	7.73	1/04/2019				4442241	7.73
				05/07/2019		81894	Transfer	4360347	7.59
				06/03/2020		63986	Transfer	4296361	7.47
				13/03/2020		116009	Transfer	4180352	7.27
				20/03/2020		1716	Transfer	4178636	7.27
		4178636	7.27	31/03/2020				4178636	7.27
2	KOTAK FOCUSED EQUITY FUND	2428388	4.22	1/04/2019				2428388	4.22
				05/04/2019	61873		Transfer	2490261	4.33
				12/04/2019	3000		Transfer	2493261	4.34
				19/04/2019	11278		Transfer	2504539	4.36
				26/04/2019	2500		Transfer	2507039	4.36
				03/05/2019	14958		Transfer	2521997	4.39
				03/05/2019		8630	Transfer	2513367	4.37
				10/05/2019	792		Transfer	2514159	4.37
				10/05/2019		11120	Transfer	2503039	4.35
				17/05/2019	56586		Transfer	2559625	4.45
				17/05/2019		79000	Transfer	2480625	4.32
				24/05/2019	2001		Transfer	2482626	4.32
				31/05/2019	29250		Transfer	2511876	4.37
				07/06/2019	39250		Transfer	2551126	4.44
				07/06/2019		2001	Transfer	2548126	4.43
				14/06/2019		29250	Transfer	2546793	4.43
				21/06/2019		39250	Transfer	2521043	4.39
				28/06/2019		2001	Transfer	2501993	4.35
				05/07/2019	6500		Transfer	2508493	4.36
				12/07/2019	86250		Transfer	2594743	4.51
				19/07/2019	27750		Transfer	2622493	4.56
				26/07/2019	43750		Transfer	2666243	4.64
				02/08/2019		11000	Transfer	2655243	4.62
				09/08/2019	36808		Transfer	2692051	4.68
				09/08/2019		55000	Transfer	2637051	4.59
				16/08/2019	37492		Transfer	2674543	4.65
				23/08/2019	81490		Transfer	2756033	4.79
				30/08/2019	88929		Transfer	2844962	4.95
				20/09/2019	19000		Transfer	2863962	4.98
				01/11/2019		219000	Transfer	2644962	4.60
				08/11/2019	41250		Transfer	2686212	4.67
				08/11/2019		6000	Transfer	2680212	4.66
				15/11/2019	170000		Transfer	2850212	4.96
				20/12/2019		3250	Transfer	2846962	4.95
				27/12/2019	514		Transfer	2847476	4.95

Sr. No.	Shareholder's Name	No. of shares at beginning (01/04/2019)/ end of the year 31/03/2020	Share holding % of total shares of the company	Increase/Decrease in shareholding			Cumulative Holding During year (01/04/2019 to 31/03/2020)	
				Date	Buying	Selling	Reason	% of total shares of the company
				27/12/2019		41250	Transfer	2806226 4.88
				17/01/2020		12934	Transfer	2793292 4.86
				31/01/2020		20500	Transfer	2772792 4.82
				07/02/2020	41250		Transfer	2835255 4.93
				06/03/2020	12934		Transfer	2845255 4.95
				13/03/2020	20500		Transfer	2852778 4.96
				20/03/2020	41250		Transfer	2859778 4.98
		2859778	4.98	31/03/2020				2859778 4.98
3	KOTAK FUNDS - INDIA MIDCAP FUND	988626	1.72	1/04/2019				988626 1.72
				05/04/2019		40000	Transfer	948626 1.65
				12/04/2019		10000	Transfer	938626 1.63
				17/05/2019	2224		Transfer	940850 1.64
				26/07/2019	2317		Transfer	943167 1.64
				20/12/2019		10500	Transfer	932667 1.62
				07/02/2020		14060	Transfer	918607 1.60
				14/02/2020		9634	Transfer	908973 1.58
				20/03/2020	16280		Transfer	925253 1.61
		925253	1.61	31/03/2020				925253 1.61
4	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY P	578359	1.01	1/04/2019				578359 1.01
				24/05/2019		18124	Transfer	560235 0.97
				28/06/2019	50957		Transfer	611192 1.06
				05/07/2019	13778		Transfer	624970 1.09
				12/07/2019	21410		Transfer	646380 1.12
				16/08/2019		21747	Transfer	624633 1.09
				23/08/2019		17081	Transfer	607552 1.06
				30/08/2019		55861	Transfer	551691 0.96
				27/09/2019		19948	Transfer	531743 0.93
				04/10/2019		33971	Transfer	497772 0.87
				25/10/2019	22275		Transfer	520047 0.90
				01/11/2019	143454		Transfer	663501 1.15
				08/11/2019	107823		Transfer	771324 1.34
		771324	1.34	31/03/2020				771324 1.34
5	RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA V	511378	0.89	1/04/2019				511378 0.89
				05/04/2019	28714		Transfer	540092 0.94
				12/04/2019	2432		Transfer	542524 0.94
				19/04/2019	168		Transfer	542692 0.94
				26/04/2019	48		Transfer	542740 0.94
				26/04/2019		6000	Transfer	536740 0.93
				03/05/2019	70144		Transfer	606884 1.06
				03/05/2019		73000	Transfer	533884 0.93
				10/05/2019		1358	Transfer	532526 0.93
				17/05/2019	120		Transfer	532646 0.93
				17/05/2019		25000	Transfer	507646 0.88
				24/05/2019	87		Transfer	507733 0.88
				31/05/2019	12666		Transfer	520399 0.91

Sr. No.	Shareholder's Name	No. of shares at beginning (01/04/2019)/ end of the year 31/03/2020	Share holding % of total shares of the company	Increase/Decrease in shareholding			Cumulative Holding During year (01/04/2019 to 31/03/2020)	
				Date	Buying	Selling	Reason	% of total shares of the company
				07/06/2019	9715		Transfer	530114 0.92
				14/06/2019		14780	Transfer	515334 0.90
				21/06/2019	66		Transfer	515400 0.90
				21/06/2019		5250	Transfer	510150 0.89
				28/06/2019	12042		Transfer	522192 0.91
				05/07/2019	281		Transfer	522473 0.91
				05/07/2019		250	Transfer	522223 0.91
				12/07/2019	78		Transfer	522301 0.91
				19/07/2019	216		Transfer	522517 0.91
				19/07/2019		12075	Transfer	510442 0.89
				26/07/2019	88		Transfer	510530 0.89
				02/08/2019		2	Transfer	510528 0.89
				09/08/2019	4309		Transfer	514837 0.90
				09/08/2019		4153	Transfer	510684 0.89
				16/08/2019	30		Transfer	510714 0.89
				23/08/2019	36		Transfer	510750 0.89
				23/08/2019		137	Transfer	510613 0.89
				30/08/2019	1620		Transfer	512233 0.89
				06/09/2019	18		Transfer	512251 0.89
				13/09/2019	42		Transfer	512293 0.89
				20/09/2019	4619		Transfer	516912 0.90
				27/09/2019	24988		Transfer	541900 0.94
				30/09/2019	69201		Transfer	611101 1.06
				04/10/2019	30024		Transfer	641125 1.12
				11/10/2019	144		Transfer	641269 1.12
				18/10/2019	9036		Transfer	650305 1.13
				18/10/2019		156	Transfer	650149 1.13
				01/11/2019	54		Transfer	650203 1.13
				01/11/2019		29250	Transfer	620953 1.08
				08/11/2019	70018		Transfer	690971 1.20
				15/11/2019	2500		Transfer	693471 1.21
				15/11/2019		43	Transfer	693428 1.21
				22/11/2019		77	Transfer	693351 1.21
				29/11/2019		1772	Transfer	691579 1.20
				06/12/2019	95		Transfer	691674 1.20
				06/12/2019		286	Transfer	691388 1.20
				13/12/2019	64109		Transfer	755497 1.31
				13/12/2019		12013	Transfer	743484 1.29
				20/12/2019	8		Transfer	743492 1.29
				20/12/2019		52750	Transfer	690742 1.20
				27/12/2019	300		Transfer	691042 1.20
				27/12/2019		12500	Transfer	678542 1.18
				31/12/2019	9		Transfer	678551 1.18
				03/01/2020	180		Transfer	678731 1.18
				10/01/2020	71		Transfer	678802 1.18
				17/01/2020	306		Transfer	679108 1.18
				24/01/2020	234		Transfer	679342 1.18

Sr. No.	Shareholder's Name	No. of shares at beginning (01/04/2019)/ end of the year 31/03/2020	Share holding % of total shares of the company	Increase/Decrease in shareholding			Cumulative Holding During year (01/04/2019 to 31/03/2020)	% of total shares of the company
				Date	Buying	Selling	Reason	
				24/01/2020		212	Transfer	679130 1.18
				31/01/2020		198	Transfer	678932 1.18
				07/02/2020	15142		Transfer	694074 1.21
				14/02/2020	109		Transfer	694183 1.21
				14/02/2020		11250	Transfer	682933 1.19
				21/02/2020		276	Transfer	682657 1.19
				28/02/2020	13750		Transfer	696407 1.21
				28/02/2020		54	Transfer	696353 1.21
				06/03/2020	4930		Transfer	701283 1.22
				06/03/2020		58	Transfer	701225 1.22
				13/03/2020	15020		Transfer	716245 1.25
				20/03/2020	6000		Transfer	722245 1.26
				20/03/2020		476	Transfer	721769 1.26
				27/03/2020		42	Transfer	721727 1.26
				31/03/2020	318		Transfer	722045 1.26
		722045	1.26	31/03/2020				722045 1.26
6	DSP DYNAMIC ASSET ALLOCATION FUND	1464840	2.55	1/04/2019				1464840 2.55
				17/05/2019		500	Transfer	1464340 2.55
				07/06/2019	17750		Transfer	1482090 2.58
				21/06/2019		68806	Transfer	1413284 2.46
				12/07/2019		59532	Transfer	1353752 2.36
				19/07/2019		56632	Transfer	1297120 2.26
				26/07/2019		33746	Transfer	1263374 2.20
				02/08/2019		5170	Transfer	1258204 2.19
				30/08/2019	10000		Transfer	1268204 2.21
				06/09/2019	2000		Transfer	1270204 2.21
				01/11/2019		5000	Transfer	1265204 2.20
				08/11/2019		220081	Transfer	1045123 1.82
				15/11/2019		73781	Transfer	971342 1.69
				13/12/2019		500	Transfer	970842 1.69
				31/12/2019		750	Transfer	970092 1.69
				17/01/2020		2250	Transfer	967842 1.68
				07/02/2020		54914	Transfer	912928 1.59
				21/02/2020		86217	Transfer	826711 1.44
				28/02/2020		18749	Transfer	807962 1.41
				06/03/2020	1750		Transfer	809712 1.41
				06/03/2020		36294	Transfer	773418 1.35
				27/03/2020		49633	Transfer	723785 1.26
				31/03/2020		48434	Transfer	675351 1.17
		675351	1.17	31/03/2020				675351 1.17
7	MIRAE ASSET EQUITY SAVINGS FUND	185557	0.32	1/04/2019				578359 1.01
				07/06/2019		8384	Transfer	177173 0.31
				19/07/2019	54188		Transfer	231361 0.40
				26/07/2019	20000		Transfer	251361 0.44
				02/08/2019	43029		Transfer	294390 0.51
				09/08/2019	8400		Transfer	302790 0.53
				09/08/2019		29085	Transfer	273705 0.48
				06/09/2019	6201		Transfer	279906 0.49

Sr. No.	Shareholder's Name	No. of shares at beginning (01/04/2019)/ end of the year 31/03/2020	Share holding % of total shares of the company	Increase/Decrease in shareholding			Cumulative Holding During year (01/04/2019 to 31/03/2020)	
				Date	Buying	Selling	Reason	% of total shares of the company
				13/09/2019	5012		Transfer	284918 0.50
				20/09/2019	18494		Transfer	303412 0.53
				27/09/2019	24000		Transfer	327412 0.57
				04/10/2019	27500		Transfer	354912 0.62
				11/10/2019	805		Transfer	355717 0.62
				18/10/2019	98995		Transfer	454712 0.79
				29/11/2019	4000		Transfer	458712 0.80
				20/12/2019	4000		Transfer	462712 0.80
				17/01/2020	4000		Transfer	466712 0.81
				31/01/2020	5000		Transfer	471712 0.82
				07/02/2020		60000	Transfer	411712 0.72
				06/03/2020	9000		Transfer	420712 0.73
				13/03/2020	15000		Transfer	435712 0.76
				20/03/2020	7750		Transfer	443462 0.77
				27/03/2020	5000		Transfer	448462 0.78
		491462	0.86	31/03/2020	43000		Transfer	491462 0.86
8	AKASH PREM PRAKASH	459000	0.80	1/04/2019				459000 0.80
		459000	0.80	31/03/2020				459000 0.80
9	SBI LIFE INSURANCE CO. LTD	141170	0.25	1/04/2019				141170 0.25
				10/05/2019		10000	Transfer	131170 0.23
				17/05/2019		2125	Transfer	129045 0.22
				24/05/2019	2374		Transfer	131419 0.23
				31/05/2019		15000	Transfer	116419 0.20
				07/06/2019		3298	Transfer	113121 0.20
				21/06/2019		10000	Transfer	103121 0.18
				26/07/2019		20000	Transfer	83121 0.14
				27/09/2019	14000		Transfer	97121 0.17
				11/10/2019	10000		Transfer	107121 0.19
				18/10/2019	1000		Transfer	108121 0.19
				01/11/2019		25353	Transfer	82768 0.14
				22/11/2019	8700		Transfer	91468 0.16
				29/11/2019	2000		Transfer	93468 0.16
				06/12/2019		700	Transfer	92768 0.16
				10/01/2020	24857		Transfer	117625 0.20
				17/01/2020	75050		Transfer	192675 0.34
				31/01/2020	10000		Transfer	202675 0.35
				07/02/2020	37612		Transfer	240287 0.42
				14/02/2020		9157	Transfer	231130 0.40
				06/03/2020	84692		Transfer	315822 0.55
				13/03/2020	66300		Transfer	382122 0.66
				20/03/2020	20000		Transfer	402122 0.70
				27/03/2020	25000		Transfer	427122 0.74
		437122	0.76	31/03/2020	10000		Transfer	437122 0.76

Sr. No.	Shareholder's Name	No. of shares at beginning (01/04/2019)/ end of the year 31/03/2020	Share holding		Increase/Decrease in shareholding			Cumulative Holding During year (01/04/2019 to 31/03/2020)	
			% of total shares of the company	Date	Buying	Selling	Reason	% of total shares of the company	
10	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUNDS	242575	0.42	1/04/2019				242575	0.42
				05/04/2019	13335		Transfer	255910	0.45
				26/04/2019	43854		Transfer	299764	0.52
				07/06/2019		54238	Transfer	245526	0.43
				14/06/2019		916	Transfer	244610	0.43
				12/07/2019		8789	Transfer	235821	0.41
				19/07/2019		10000	Transfer	225821	0.39
				02/08/2019	12830		Transfer	238651	0.42
				09/08/2019	1715		Transfer	240366	0.42
				16/08/2019		5850	Transfer	234516	0.41
				23/08/2019	3227		Transfer	237743	0.41
				23/08/2019		2823	Transfer	234920	0.41
				30/08/2019	25969		Transfer	260889	0.45
				06/09/2019	1750		Transfer	262639	0.46
				18/10/2019	612		Transfer	263251	0.46
				08/11/2019		8662	Transfer	254589	0.44
				22/11/2019	26106		Transfer	280695	0.49
				06/12/2019	15698		Transfer	296393	0.52
				31/01/2020	50000		Transfer	346393	0.60
				20/03/2020	4673		Transfer	351066	0.61
				27/03/2020	40000		Transfer	391066	0.68
		391066	0.68	31/03/2020				391066	0.68

ATTACHMENT G

v. Shareholding of Directors and Key Managerial Personnel

Sr. No	Shareholder's Name	Shareholding		Date	Increase/ Decrease in Shareholding No. of Shares	Reason	Cumulative Holding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning (01/04/2019) / end of the year (31/03/2020)	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Arun Bharat Ram (Chairman)	27500	0.05	01-Apr-19 31-Mar-20	-	Nil movement during the year	27500	0.05
2	Vellayan Subbiah (Independent Director)	13407	0.02	01-Apr-19 31-Mar-20	-	Nil movement during the year	13407	0.02
3	Puneet Yadu Dalmia (Independent Director)	0		01-Apr-19 24-Mar-20 25-Mar-20 31-Mar-20	10000 7800	Purchase Purchase	0 10,000 17800 17800	0.03
4	Tejpreet Singh Chopra (Independent Director)	488		01-Apr-19 13-Mar-20 31-Mar-20	90	Purchase	578 578	0.00
5	Yash Gupta (Independent Director)	336		01-Apr-19 02-Apr-19 08-May-19 11-Jul-19 02-Aug-19 30-Sep-19 31-Mar-20	(57) (61) (94) (2) (122)	Sale Sale Sale Sale Sale	336 279 218 124 122 0 0	0.00

Sr. No	Shareholder's Name	Shareholding		Date	Increase/Decrease in Shareholding No. of Shares	Reason	Cumulative Holding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning (01/04/2019) / end of the year (31/03/2020)	% of total Shares of the company				No. of Shares	% of total Shares of the company
6	Prashant Mehra KMP-President & CEO-(PFB, LF & CF)	21800	0.04	01-Apr-19			21800	
				04-Oct-19	200	Purchase	22000	
				06-Mar-20	60	Purchase	22060	
				13-Mar-20	60	Purchase	22120	
		22120		31-Mar-20			22120	0.04
7	Prashant Yadav KMP-President & CEO- (FCB)	20200	0.04	01-Apr-19	-	Nil movement during the year	20200	0.04
				31-Mar-20				
8.	Anurag Jain KMP- President & CEO (SCB & CTG)	21100	0.04	01-Apr-19			21100	
				04-Oct-19	200	Purchase	21300	
		21300		31-Mar-20			21300	0.04
9.	Sanjay Chatrath KMP- President & CEO (TTB)	900	0.00	01-Apr-19			900	
				24-May-19	(100)	Sale	800	
				06-Sep-19	100	Purchase	900	
		900		31-Mar-20			900	0.00
10	Rahul Jain KMP-President & CFO	0	0.00	01-Apr-19			0	
				20-Mar-20	225	Purchase	225	
				27-Mar-20	75	Purchase	300	
		300		31-Mar-20			300	0.00
11	Rajat Lakhanpal KMP-VP (Corporate Compliance) & Company Secretary	81	0.00	01-Apr-19			81	
				20-Mar-20	260	Purchase	341	
		341		31-Mar-20			341	0.00

ATTACHMENT H

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on March 31, 2020

(₹ Crores)

Particulars	Secured Loan excluding Deposits	Unsecured Loan	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial year (April 1, 2019)				
(i) Principal Amount	2,403.66	707.47	0.01	3,111.14
(ii) Interest Due but not paid	0.00	0.00	0.00	0.00
(iii) Interest Accrued but not due	28.29	1.11	0.00	29.40
Total (i+ii+iii)	2,431.95	708.58	0.01	3,140.53
Change in indebtedness during the year				
Addition	1,485.43	3,491.49	0.00	4,976.92
Reduction	(1,779.95)	(3,638.61)	0.00	(5,418.56)
Change in Interest Accrued	(5.96)	(0.80)	0.00	(6.76)
Net Change	(300.48)	(147.92)	0.00	(448.40)
Indebtedness at the end of the financial year (March 31, 2020)				
(i) Principal Amount	2,109.13	560.35	0.01	2,669.49
(ii) Interest Due but not paid	0.00	0.00	0.00	0.00
(iii) Interest Accrued but not due	22.33	0.31	0.00-	22.64
Total (i+ii+iii)	2,131.47	560.66	0.01	2,692.13

* Represent amounts of public deposits received under erstwhile FD scheme of the Company which couldn't be refunded due to orders from Government authorities.

ATTACHMENT I

VI. Remuneration of directors and key managerial personnel

A. Remuneration to Managing Director, Whole-time Director and/or Manager

S.N.	Particulars of Remuneration	Name of MD/WT/Manager				(₹ Crores)
		Arun Bharat Ram Chairman	Ashish Bharat Ram Managing Director	Kartik Bharat Ram Deputy Managing Director	Pramod G Gujarathi Director (Safety & Environment)	Total Amount
1.	Gross Salary					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2.64	3.24	3.24	0.18	9.30
	b) Value of perquisites u/s 17(2) of the Income – tax Act, 1961	0.01	1.06	1.04	0.00	2.11
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- As % of profit					
	- Others	2.50	2.00	2.00	0.00	6.50
5.	Others	0.45	0.65	0.65	0.01	1.75
	TOTAL (A)	5.60	6.95	6.93	0.19	19.67
	Ceiling as per the Act	₹ 79.12 Crores (being 10% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013).				

ATTACHMENT J

A. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors							(₹/Crore)
		Bharti Gupta Ramola	Lakshman Lakshminarayan	Vellayan Subbiah	Yash Gupta	Puneet Dalmia	Tejpreet Singh Chopra	Dr. Meenakshi Gopinath	Total
1	Independent Directors								
	- Fee for attending Board /committee meetings	0.03	0.04	0.03	0.04	0.02	0.03	-	0.19
	- Commission	0.12	0.12	0.12	0.12	0.12	0.12	-	0.72
	- Others	-	-	-	-	-	-	-	-
2	Other Non-Executive Directors								
	- Fee for attending Board /committee meetings	-	-	-	-	-	-	0.02	0.02
	- Commission	-	-	-	-	-	-	-	-
	- Others	-	-	-	-	-	-	0.12	0.12
	TOTAL (B)=(1+2)	0.15	0.16	0.15	0.16	0.14	0.15	0.14	1.05
	Ceiling as per the Act	₹ 7.91 Crores (being 1% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013)							
	TOTAL MANAGERIAL REMUNERATION*	20.72 Crores							
	Overall Ceiling as per the Act	₹ 87.03 Crores (being 11% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013)							

* Total remuneration to Chairman, Managing Director(s), Whole-time Director and other Directors.

ATTACHMENT K**B. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(₹ Crores)

S.N.	Particulars of Remuneration	Key Managerial Personnel						Total
		Sanjay Chatrath President & CEO (TTB)	Prashant Mehra President & CEO (PFB, LF & CF)	Prashant Yadav President & CEO (FCB)	Anurag Jain President & CEO (SCB & CTG)	Rahul Jain President, CFO & CS	Rajat Lakhanpal, VP (Corporate Compliance) & CS	
1.	Gross Salary							
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2.28	3.68	3.57	3.66	1.24	0.53	14.97
	b) Value of perquisites u/s 17(2) of the Income – tax Act, 1961	0.08	0.18	0.14	0.14	0.11	0.02	0.68
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	-
4.	Commission	-	-	-	-	-	-	-
	- As % of profit	-	-	-	-	-	-	-
	- Others	-	-	-	-	-	-	-
5.	Others	0.20	0.27	0.27	0.27	0.10	0.04	1.15
	TOTAL (A)	2.56	4.13	3.98	4.07	1.46	0.59	16.80

ATTACHMENT L**VII. Penalties/Punishment/Compounding of Offences**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment/ compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
COMPANY					
Penalty					
Punishment			NIL		
Compounding					
DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

For and on Behalf of the Board**Arun Bharat Ram**

Chairman

(DIN: 00694766)

Date: June 4, 2020

Place: New Delhi

Management Discussion & Analysis



In the following pages, the Management will provide its perspective on the operating and financial performance of the company during FY 2019-20 and an outlook of the business performance in the coming years.

Businesses

SRF Limited is a chemical-based multi-business conglomerate engaged in the manufacturing of industrial and specialty intermediates. The company is widely recognized and well respected for its R&D capabilities globally, especially in the niche domain of chemicals. SRF Limited is a market leader in most of its business segments in India with a significant global presence. The company has operations in three countries namely India, Thailand and South Africa and an upcoming facility in Hungary. SRF has commercial interests in more than seventy-five countries and classifies its businesses as Technical Textiles Business (TTB), Chemicals Business (CB), Packaging Films Business (PFB), and Other Businesses.

Technical Textiles Business

FY 2019-20 witnessed a VUCA environment as the auto sector faced one of its worst crises ever, adversely impacting the Technical Textiles Business. Sales of every vehicle segment registered a double digit de-growth thereby eroding significant profits especially in case of Nylon Tyre Cord Fabric. During the year, the business also closed its Nylon Tyre Cord Fabric plant at Rayong (Thailand) due to high costs and lack of visibility on reaching profitable operations anytime in the near future. Because of this, the business witnessed de-growth in terms of both revenues and profitability. However, the Belting Fabrics segment performed better in terms of margins and registered a healthy EBIDTA.

Overall, the domestic capacity was underutilized due to poor demand in both Tyre Cord Fabric and Polyester Industrial Yarn segments.

Tyre Cord Fabrics

The Nylon Tyre Cord segment registered de-growth in EBIDTA due to low off-take in the OE sector. Replacement demand was also impacted due to financing issues, rural distress and job losses. Slow income growth also led to reduced purchasing power of the consumer that impacted the auto industry overall. As a result, most of the tyre companies cut back on production to reduce the pipeline inventory.

On the positive side, the plants of Technical Textiles Business continued to improve their operational parameters.

Belting Fabrics

With the steel industry growing at a healthy rate, Belting Fabrics registered a stable domestic demand growth vis-à-vis last year. However, Chinese posed stiff competition to compensate their sale loss in the US and resorted to aggressive pricing. The business however managed to post healthy EBIDTA and margins on the back of strengthened Value Added Products (VAPs) sales and exports.

On the operational front, the additional capacity commissioned was successfully utilized to cater to the growing demand and increased exports. The business continues to focus on rapid development of VAPs.

Polyester Industrial Yarn

The demand for Polyester Yarn segment witnessed a decline owing to slowdown in the auto and infra sectors. Even after the imposition of Anti-Dumping Duty, Chinese continued to dump yarn into India at lower prices creating a situation of oversupply. Overall, the business suffered due to sharp decline in demand, oversupply by the Chinese and aggressive pricing competition.

However, the business continued to focus on ramping up the sales of Value Added Products.

Outlook

The Technical Textiles Business is likely to get impacted in FY 2020-21 owing to the situation created by the COVID-19 pandemic. The situation may start to improve in the second half of the fiscal for NTCF, Belting Fabrics and PIY segments.

Chemicals Business

The Chemicals Business comprises two different product segments, namely Fluorochemicals and Specialty Chemicals.

Fluorochemicals

The Fluorochemicals Business (FCB) derives its revenue from the sale of refrigerants, pharma propellants and industrial chemicals. FCB has its manufacturing operations at Bhiwadi in Rajasthan and Dahej in Gujarat. With the ongoing business enhancement and debottlenecking projects currently underway, the Business is continuing its journey on the growth path.

Refrigerants & Propellants

SRF is the domestic market leader in the refrigerants space. Exports to more than 60 countries worldwide account for a significant portion of the overall revenue. The refrigerant product range marketed under the company's FLORON® brand includes F-22, F-134a, F-32 and HFC Blends such as F-404A, F-407C, and F-410A and newly-added products like F 600a and F 152a.

Market share in refrigerator segment increased with the launch of F 600a.

The business serves reputed OEMs manufacturing air-conditioners, refrigerators, pharmaceuticals, chillers and automobiles. SRF is the only Indian manufacturer of HFC 134a, HFC 125 and HFC 32 refrigerants, which have been developed using indigenous technology. SRF has commissioned new facilities for HFCs, which has further strengthened our competitive advantage in all three major HFCs, namely HFC 134a, 32 and 125. Today, we are positioned as one of the very few, best-in-class, fully backward integrated producers in the world. SRF has also successfully converted all the customers for Dymel® HFC 134a pharmaceutical propellant.

SRF is all set to enter into another segment i.e. Fluoropolymer business through its ongoing additional F 22 capacity and new Poly-tetrafluoroethylene capacity project at Dahej.

Industrial Chemicals

SRF's main products in the Chloromethane space are Methylene Chloride, Chloroform and Carbon Tetra Chloride, which are used by the pharma and agrochemical customers. Other products in this

segment are Trichloroethylene, Perchloroethylene, Tetrahydrofuran and Dilute Hydrofluoric Acid. The Business is poised to gain in terms of revenue and profitability from this segment. In the coming years, we are planning to add a couple of new products in the Industrial Chemicals space.

Outlook

With the overall sentiment in the market continuing to remain uncertain in FY21 due to COVID-19, we expect a demand slowdown for the coming year especially in the OEM space. However, Business is expected to improve its performance with better capacity utilization and other cost improvement initiatives along with keeping a close watch on how the Macro scenario moves. The Business will focus on maintaining its share of F 134a, F 32, F 125, HFC Blends and Methylene Chloride, apart from its ongoing efforts to pursue growth in Industrial Chemicals with the addition of new products to its portfolio.

Specialty Chemicals Business

The Specialty Chemicals Business expanded during the year and continues to remain focused on agrochemical and pharmaceutical space, where it collaborates with the major global innovators for process development, commercialization, and production of complex new-age molecules having downstream application in agrochemical and pharmaceutical segments. In the last three decades, the Business has developed world-class expertise in Fluorination chemistry and is also emerging as a champion in some of the non-Fluorinated, difficult-to-execute chemistries.

The Business witnessed some interruptions in operations in the first quarter at Dahej site due to shut down. However, the Business picked up momentum thereafter and captured the market opportunities in the agro space. This led to record sales in the second half of the year.

During the year, the Business launched six new agro intermediates and three pharma intermediates and remained steadfast on its innovation and technology leadership journey. The production capacity of several products was enhanced significantly at both the sites. In order to bolster the efforts to improve sustainability, a RO system was commissioned at the Dahej site to enable the use of recycled water from plants. The Business also made continual investment on improving the technological strength, process

improvements and focused cost control efforts. Such measures have enhanced both the positioning of the Business and its capabilities to deliver complex agrochemicals and related intermediates.

Outlook

The Business has emerged as a global leader in demonstrating its ability to supply some of the most critical intermediates to its customers. Efforts to deliver better value to the customers will continue as the Business remains committed to invest in improving its technological prowess, while having a strong focus on operational excellence. This will help the Business in taking on new-age challenging molecules.

The participation of the Business in agrochemicals market is in line with the global trends. However, the market is still susceptible to pricing pressure coming from crude pricing, unpredictable weather conditions in the customers' market and the more recent impact of COVID-19 on economies. SRF is currently working on various projects, which will gradually see fructification in the future.

The Business holds an optimistic outlook for the coming quarters as it continues to stay invested in the long-term projects to drive growth in the Specialty Chemicals space.

Chemicals Technology Group

The Chemicals Technology Group (CTG) has been instrumental in driving the development of new products and process technologies for the Fluorochemicals and Specialty Chemicals Businesses. Over the years, CTG has introduced a number of technologies that were new to SRF. It is the key force driving SRF up in the value chain of agrochemical and pharma intermediates as well as the new generation refrigerants.

CTG's key focus has been on the niche area of Fluorinated molecules, however, during the year it contributed significantly in the development of complex non-Fluorinated intermediates as well. The complexity of the molecules are increasing and so is the capability of CTG. The R&D and the scale-up facilities are also being augmented at Bhiwadi. This will further boost the capability of CTG, enabling it to meet the challenging and complex needs of the customers. CTG has been dedicatedly working on enhancing SRF's technology development capabilities by developing more efficient processes, by working on

novel chemistries and scaling them up for successful commercialization. With a clear vision of technology leadership and innovation, new product development having complex technology requirements will be the key driver of success and sustainable growth of SRF.

The two dedicated R&D facilities, engineering lab and pilot plant facilities, employing many scientists and engineers, work together to achieve the innovation and technology leadership at SRF. SRF continues to invest in R&D for creating propositions for the future and Capital and Revenue expenditures of ₹ 33.09 crore and ₹ 99.68 crore was spent respectively during FY 2019-20 for R&D.

Comprehensively, R&D team worked on 69 molecules and 38 products were successfully taken up for process development. A total of 16 scale-up campaigns were carried out by the pilot plant, 34 campaigns were taken up in the commercial multipurpose plants and 15 campaigns were completed in the dedicated plants. In FY 2019-20, CTG filed Thirty Five patents taking the total count to Two Hundred and Five patents filed so far. Thirty Seven patents were granted in FY 2019-20 taking the total count of patents granted to the company to Seventy.

Packaging Films Business

FY 2019-20 has been a good year for the Business. BOPP market started recovering from the down cycle and BOPET market remained balanced. Improved market sentiment accompanied by the hard work and passion of every team member contributed towards the larger goal of 'Easy To Do Business With (ETDBW)' and helped the Business achieve its best ever performance.

All units improved their efficiencies resulting in ~4% volume growth while sustaining the best in industry cost structures. In our journey of Value Added Products (VAPs), five new products were launched and VAP sales grew by more than 20% over previous year. While utilizing our assets to the maximum, we continuously strive to maintain a safe and healthy environment at our plants. In FY 2019-20, we received the "Sword of Honour" and 5 Star Rating for Occupational Health and Safety (OHS) from the British Safety Council for both our plants in Indore. Our expansions at both Hungary and Thailand are also progressing well and vertical start-up of both the lines will be one of the most important agenda items for the coming year.

Towards the end of the year, the Business faced some disruption because of the COVID-19 pandemic, which is expected to impact business at least in the initial period of FY 2020-21.

Outlook

FY 2020-21 has started on the note of COVID-19 pandemic affecting the global economy. The pandemic will affect production, create supply chain and market disruption and will result in financial impact on almost all organizations. The scenario is too uncertain to predict the demand. We expect that supply of Packaging Films will exceed demand leading to a pressure on margins as many small convertors might remain shut for a considerable time period and many new capacities are also likely to start both in BOPET and BOPP.

In FY21, SRF's primary focus will be on running its plants optimally, keeping costs under control and continue to work on VAPs. The efforts will also be directed towards maximum utilization of the two new BOPET facilities starting in the first quarter. We will also continue our work on the sustainability initiatives driven by the '3R' approach – Reduce, Reuse and Recycle.

During the year, we will keep a close watch on the macro scenario and will be flexible to adapt our strategy accordingly.

Other Businesses

Coated and Laminated Fabrics

Under the Other Businesses segment, both Coated and Laminated Fabrics performed well in FY 2019-20. Coated Fabrics Business recorded its best-ever performance. Despite adverse market situation, Laminated Fabrics Business has been able to successfully hold the fort and has achieved targeted sales number. Both the Businesses were impacted in March 2020 due to the situation arising from the COVID-19 pandemic.

Outlook

In FY21, we expect the market to remain subdued, at least in the initial part of the year, due to the fallout of the COVID-19 pandemic. For both the Businesses, the focus will be on maximizing the asset utilization and continue work on various cost reduction initiatives.

Human Resources

The recipe of any successful performance assessment system pivots around two key ingredients – correctly defined deliverables and constructive feedback on performance. At the onset of the year, the organization identified these two aspects as key focus areas for the year, with transparency and efficient automation being the cornerstone of all improvements. Today, the key deliverables, called Control Points, are properly defined in an automated module, monitored regularly and updated from time to time and in line with the changes that take place during the year. Furthermore, the organization moved away from the archaic and age-old practice of only managers initiating feedback when they deemed fit. We empowered people substantially by providing them a formal mechanism to seek feedback from their managers through the year. Providing feedback has also been mandated for a few levels in the organization.

With the automation of the promotion process, HR can now boast of almost all its transactional processes being automated and having more time at hand to deal with strategic level matters or matters needing personalized touch of our 'hi-tech' HR.

Traditionally, HR has been more 'feeling' than 'analyzing' and a fundamental shift in this approach was initiated a few years back when we started using analytics in HR. After years of laboring towards institutionalizing this change, our efforts fructified. A special recognition from an external forum – SHRM, came our way as an acknowledgement of the initiatives implemented by this function. This gave the function the much-needed impetus. Reporting HR data through real-time dashboards is another feather in the cap of the HR Analytics team.

Our commitment to complying with labour related statutes springs from the organization's DNA. While, the industry struggled with the newfound understanding of the Provident Fund Act, we chose to be the first few organizations to set things in order so that the interest of employees was protected.

HR witnessed a landmark year as the sale of our Engineering Plastics Business brought with itself an abundance of learning opportunities. The transition for our people was seamless with minimal disturbance for most.

Another interesting and prophetic change was the introduction of a more relaxed 'work from home'

policy. Towards the end of the year, we found ourselves grappling with the unfortunate reality of a pandemic and the economic and psychological fallouts of it. With the promise of no job losses because of the pandemic, the organization continues to put the interest and well-being of its employees first.

Industrial Environment

The organization's overall employee relations remained positive throughout the year. This was a result of our consistent efforts towards keeping our employees engaged. Various initiatives were implemented at the plants that encouraged participation and collaboration. We maintained a pleasant and cordial working environment across all manufacturing locations and witnessed an increase in productivity at several manufacturing locations.

The total number of permanent employees at SRF stands at 6,677 at the close of business on March 31, 2020. Of these, 6,299 are based at our Indian locations.

Information Technology

The year started with many IT projects to disassociate the Engineering Plastics Business (EPB) to independent operation systems that could be transitioned to DSM. We worked closely with the DSM team to ensure that the EP business operations continued during the transition to their systems. Over the year, we also enabled all our IT systems on our new international locations and plant extensions.

We improved resilience of core information systems like the ERP by migrating to virtual, fault tolerant systems ready for cloud transition. The Disaster recovery of such key systems was subsequently setup in cloud to ensure continuity in the event of disruptive events at the main data centers. Some new technology solutions were added in our R&D centers to improve our ability to conduct research and experiments.

We continued our efforts to automate more processes using Business Process Management technology tools and platforms, thereby resulting in improved process efficiency while reducing efforts and time taken. Master management activities, credit hold processes and other sales processes were optimized. The advanced supply chain planning solution was stabilized in Fluorochemicals business to help improve our monthly planning activities around production,

dispatches, procurement based on the sales demand across the world. Customer and supplier portals are being launched soon to better integrate with our partners. Operational dashboards have helped SRF over the year to have a good control on the key metrics. These were also upgraded and improved on newer platforms that support secure access on multiple devices from anywhere.

We increased coverage of modern workplace solutions based on cloud solutions like Office365. Adequate identity and data protection solutions were deployed to enable safe and secure working of employees from anywhere while protecting the intellectual property of SRF. This was a significant enabler that helped the company at the financial year end when the COVID crisis struck and overnight employees were asked to work from home. The collaboration solutions combined with secure VPN gateways to SRF data centers ensured that all essential SRF applications were accessible to employees who could seamlessly collaborate over secure audio/video conferencing solutions. The investments made over the years to modernize the SRF IT environment paid good dividends during these tough times.

Community Partnerships

Building on its long-term commitment to the sustainable and inclusive growth of the community, SRF Foundation, the corporate social responsibility arm of SRF Limited, expanded its scope of work and took concrete steps in compliance with Section 135 of the Companies Act 2013 during FY 2019-20. The Foundation continued to focus on the identified areas of education, vocational skills, natural resource management and affirmative action on a sustainable basis. Further, it strengthened its Public Private Community Partnership (PPCP) model to positively affect the lives of people.

FY 2019-20 witnessed the strengthening of the Foundation's education program. Today, we have reached 269 Government schools across 21 locations in nine states directly, providing quality education to more than 78,714 students. By collaborating with like-minded partners, we work with 110 Government & Private schools indirectly, positively affecting the lives of 1,300 students in these schools. The Foundation continued its work towards improving infrastructure and academic facilities under the School Education Program, and promoting digital-based learning through

KidSmart Centers, World on Wheels & GetSmart-Mobile Digital Labs, Common Services Lab, Digital Based Learning and Digital Theatres. The Foundation also undertook several new initiatives to improve the employability of people around our plant locations by providing vocational skills through partnerships with Rama Krishna Polytechnic, Schneider Electrical and The Times of India.

SRF Foundation, through its Natural Resource Management (NRM) program continued to reach the economically weaker families near its manufacturing plant at Bhiwadi in Rajasthan and improve their livelihood by adopting the watershed-based livelihood and environment conservation approach. In FY 2019-20, the Foundation conducted certain Hydrological and Environment studies in 35 villages around SRF Bhiwadi Plant in the Tijara block where rainfall is below normal and the results helped create a way forward plan.

During the year, SRF Foundation was recognized with various awards for its contribution to school education. We were honored with the maiden National CSR Award in Challenging Circumstances (North) by the Government of India and also by the Indian Institute of Corporate Affairs. Furthermore, we received the 4th ICSI CSR Excellence Award by the Institute of Company Secretaries of India for Best Corporate in Medium Category. We were also awarded the CSR Times Award - 2019 as 'Best Corporate Foundation' in Education Category during the 6th National CSR Summit. Moreover, we were adjudged the Best Partner in Digital Citizenship by Capgemini India.

In addition, SRF's Chemicals Business was felicitated by the Government of Rajasthan with the "Rajasthan State Bhamashah Award" for support to elementary education in the Bhiwadi region.

Internal Controls Systems and Internal Audit

The Internal Audit team develops an annual internal audit plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the said plan.

The company has a well-documented system of internal controls in place commensurate with its size, scale and complexity of operations. These controls have been designed to provide reasonable assurance

with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets, executing transactions with proper authorization and ensuring compliance with corporate policies. The controls based on the prevailing business conditions and processes have been tested by internal/external auditors during the year and no reportable material weaknesses in the design or effectiveness was observed.

The Internal Audit team also monitors and evaluates the efficacy and adequacy of internal control systems in the company, the ERP solutions, the accounting procedures and policies at all locations. Based on the gaps reported in internal audit report, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Any significant audit observations and corrective actions thereon are presented to the Audit Committee.

The Audit Committee reviews the reports submitted by the Internal Auditors (both internal and external) in each of its meetings. The company also has a robust and comprehensive framework of Control Self-Assessment (CSA), which continuously verifies compliances with laid down policies and procedures and help in plugging the control gaps.

Risk Management

The company has developed and implemented a Risk Management Policy, which is approved by the Board.

The Risk Management Policy, inter alia, includes identification therein of elements of risk, including those, which in the opinion of the Board may threaten the existence of the company. Risk management process has been established across the company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organization. The responsibility of tracking and monitoring the key risks of the business/function periodically and implementing suitable mitigation plans proactively is with the senior executives of various business/functional units.

Risk Management Committee has been constituted by the Board of Directors in February 2019 to oversee key risks and assist the Board in efficient management of organizational risk. The scope of the Risk Management Committee [RMC] as defined by SRF is as under:

1. Oversee key risks, including strategic, financial, operational, compliance and cyber security risks.
2. Assist the Board in framing, implementing, monitoring and reviewing the risk management plan / policy of the company.
3. Assist the Audit Committee in evaluating the effectiveness of Risk Management System.

During FY20, the return on net worth of the Company is 20.80% vis-à-vis 13.20% in FY19. There is a change of 57.57% over the previous year due to an increase in operations, better operating margins and profit recognized on sale of EP business. Other Significant changes in key financial ratios as per listing regulations were:

Ratios	FY 19-20	FY 18-19	% Change	Remarks
Interest Coverage Ratio	8.06	5.67	42.24	Due to increased operations, better operating margins and profit recognised on sale of EP business
Operating Profit Margin %	18.80	13.43	39.97	
Net Profit Margin %	15.21	8.01	89.93	
Debt Equity Ratio	0.59	0.79	25.87	During the year debt was reduced due to higher cash flows arising from increased operations, better operating margins and proceeds from sale of EP business

Corporate Governance Report

Philosophy of the Company on Corporate Governance

For SRF Limited (SRF), good corporate governance means adoption of best practices to ensure that the Company operates not only within the regulatory framework, but is also guided by broader business ethics. The adoption of such corporate practices — based on transparency and proper disclosures — ensures accountability of the persons in charge of the Company and brings benefits to investors, customers, creditors, employees and the society at large.

Board of Directors

Composition of the Board

As on March 31, 2020, SRF's Board consisted of 11 Directors, of which four are executives of the Company (including the Chairman, who is an Executive Chairman), one is non-executive & non-independent and six are independent. Table 1 gives the details of the Board as on March 31, 2020.

Table 1: Composition of the Board of Directors of SRF

Name of Director	Category of Director	No. of Directorships of Indian Public Ltd Co. (other than SRF Limited)*	No. of Committees where Chairperson or Member (including SRF Limited)#		Name of Listed Entities & Category of Directorship
			Chairperson	Member	
Arun Bharat Ram	Executive Chairman, Promoter	3	-	2	- J K Paper Limited – Independent Director
Ashish Bharat Ram	Executive, Promoter	4	1	1	- Transport Corporation of India Limited – Independent Director - KAMA Holdings Limited – Promoter, Non- Executive Director
Kartik Bharat Ram	Executive, Promoter	2	-	2	- KAMA Holdings Limited – Non- Executive Director
Pramod G Gujarathi	Executive	1	-	1	- Chemiesynth (Vapi) Limited – Independent Director
Tejpreet S Chopra	Non-Executive, Independent	2	1	1	- Gujarat Pipavav Port Limited – Independent Director - Indian Exchange Energy Ltd – Independent Director

Name of Director	Category of Director	No. of Directorships of Indian Public Ltd Co. (other than SRF Limited)*	No. of Committees where Chairperson or Member (including SRF Limited)#	Name of Listed Entities & Category of Directorship
Lakshman Lakshminarayan	Non-Executive, Independent	4	2	-
				- Rane Brake Lining Ltd – Non Executive, Promoter Director
				- Rane Engine Valves Ltd.- Non Executive, Promoter Director
				- Rane Madras Ltd. – Non Executive, Promoter Director
				- Rane Holdings Ltd. – Chairman Emeritus, Non-Executive, Promoter Director
				- DCM Ltd – Independent Director
Vellayan Subbiah	Non-Executive, Independent	4	-	2
				- Havells India Ltd – Independent Director
				- Tube Investments of India Ltd – Executive, Promoter Director
				- Shanti Gears Ltd – Non-Executive, Promoter Director
Dr. Meenakshi Gopinath	Non-Executive, Non-Independent	-	-	-
Bharti Gupta Ramola	Non-Executive, Independent	1	-	2
				- HDFC Life Insurance Company Ltd – Independent Director
Puneet Yadu Dalmia (Appointed w.e.f 01.04.2019)	Non-Executive, Independent	1	-	-
				- Dalmia Bharat Ltd – Managing Director
Yash Gupta (Appointed w.e.f 01.04.2019)	Non-Executive, Independent	1	-	1
				Nil

* Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.

Membership & Chairmanship of Stakeholder Relationship Committee & Audit Committee of Indian Public Companies have been considered.

Arun Bharat Ram is the father of Ashish Bharat Ram and Kartik Bharat Ram.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board :

Skill Matrix identified by the Board to function effectively -

Industry knowledge/experience	Technical skills/experience	Behavioural Competencies
a) Consulting Experience	a) Accounting and finance	a) Integrity and ethical standards
b) Manufacturing Industry experience	b) Industrial Engineers	b) Mentoring abilities
c) Understanding of relevant laws, rules, regulation and policy	c) Talent Management	c) Critical thinking
d) Analyzing Business Problems	d) Compliance and risk	d) Strategic Planning
e) Adapting to changing Business Conditions	e) Devising plans for New Business	e) Entrepreneurial & Commercial Acumen
f) Recommending cost-cutting measures	f) Proposing solutions to Business Problems	f) Analytical Decision Making
g) Recommending Process Improvements	g) Innovation	g) Customer Centricity
		h) Leading Change
		i) Leading People

Skills available with Board as per skill matrix -

S. No.	Name of Director	Industry knowledge/experience	Technical skills/experience	Behavioural Competencies
1.	Arun Bharat Ram	b,d,e,f,g	b,e,f,g	a,b,c,d,e,f,h,i
2.	Ashish Bharat Ram	b,c,d,e,f,g	a,d,e,f,g	a,c,d,e,f,g,h,i
3.	Kartik Bharat Ram	b,d,e,f,g	c,d,e,f,g	a,b,c,d,e,f,h,i
4.	Lakshman Lakshminarayan	b,c,d,e,f,g	a,b,c,f	a,b,e,f,g,i
5.	Vellayan Subbiah	a,b,c,d,e,f,g	a,b,e,f	a,c,d,e,f,g,h
6.	Tejpreet S Chopra	b,c,d,f,g	d,e,f,g	a,c,d,e,f,g,h
7.	Pramod G. Gujarathi	b,c,f,g	b,d,	a,b,c,f,g
8.	Bharti Gupta Ramola	a,c,d,e,g	a,d,f,g	a,c,d,f,g,h
9.	Dr. Meenakshi Gopinath	c	c,d	a,b,c,g,h,i
10.	Puneet Yadu Dalmia	b,c,d,e,f,g	a,b,e,f	a,b,c,d,e,f,i
11.	Yash Gupta	a,d,e,f,g	a,c,e,f,g	a,b,c,d,e,f,h

As required under Listing Regulations, the Company has obtained a certificate from a Practicing Company Secretary that none of the directors on the board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Independent Directors on the Board are Non-Executive Directors.

Our definition of 'Independence' of Directors is derived from Regulation 16 of Listing Regulations, and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors other than Dr. Meenakshi Gopinath are Independent in terms of Regulation 16 of Listing Regulations and Section 149(6) of the Companies Act, 2013.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Companies Act and Listing Regulations. In terms of Regulation

25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. None of the Directors is a member of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

Independent Directors' Meeting

In accordance with the applicable provisions of Companies Act, 2013 and Listing Regulations, a meeting of the Independent Directors of the Company was held on February 3, 2020, without the attendance of Non-Independent Directors and members of the management.

Familiarisation Programme

Your Company has put in place familiarisation programme for all its Directors including the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc and the familiarisation programme for the Independent Directors is available on the website of the Company at the link <http://www.srf.com/investor-relations/investors.html#governance>

Number of Board Meetings

During 2019-20, the Board of Directors met four times on the dates as referred below in Table 2. The gap between any two Board Meetings did not exceed 120 days.

Table 2: Attendance of directors in Board Meetings and Annual General Meeting (AGM) held during the year in 2019-20

Name of the Director	Date of Board Meeting and Attendance of Directors				Date of AGM and Attendance of Directors August 5, 2019
	May 13, 2019	August 05, 2019	November 4, 2019	February 3, 2020	
Arun Bharat Ram	Yes	Yes	Yes	Yes	Yes
Ashish Bharat Ram	Yes	Yes	Yes	Yes	Yes
Kartik Bharat Ram	Yes	Yes	Yes	Yes	Yes
Pramod G Gujarathi	Yes	Yes	Yes	Yes	Yes
Tejpreet S Chopra	Yes	Yes	No	Yes	Yes
Lakshman Lakshminarayan	Yes	Yes	Yes	Yes	Yes
Vellayan Subbiah	Yes	Yes	Yes	Yes	Yes
Dr Meenakshi Gopinath	Yes	Yes	Yes	Yes	Yes
Bharti Gupta Ramola	Yes	Yes	No	Yes	Yes
Puneet Yadu Dalmia	Yes	Yes	Yes	No	Yes
Yash Gupta	Yes	Yes	Yes	Yes	Yes

Remuneration of Directors

Table 3 gives the remuneration paid or payable to the Directors of SRF Limited for financial year 2019-20 and table 4 gives details of Service Contracts

Table 3: Remuneration Paid or Payable

S. No.	Name of Director	Salary & Allowances	Sitting Fees	Perquisites	Provident Fund and Superannuation	Commission (Provided)/ Professional Fees	Total (₹ In Crores)
1	Arun Bharat Ram	2.64	-	0.24	0.45	3.50	6.83
2	Ashish Bharat Ram	3.24	-	1.05	0.65	3.00	7.94
3	Kartik Bharat Ram	3.24	-	0.96	0.65	3.00	7.85
4	Pramod G Gujarathi	0.18	-	-	0.01	-	0.19
5	Dr. Meenakshi Gopinath	-	0.02	-	-	0.12	0.14
6	Tejpreet S Chopra	-	0.03	-	-	0.12	0.15
7	Lakshman Lakshminarayan	-	0.04	-	-	0.12	0.16
8	Vellayan Subbiah	-	0.03	-	-	0.12	0.15
9	Bharti Gupta Ramola	-	0.03	-	-	0.12	0.15
10	Puneet Yadu Dalmia	-	0.02	-	-	0.12	0.14
11	Yash Gupta	-	0.04	-	-	0.12	0.16
	Total	9.30	0.21	2.26	1.75	10.34	23.86

The Nomination and Remuneration Committee has laid down criteria for making payments to non-executive directors, which inter alia, includes level of remuneration /commission payable by other comparable companies, time devoted, experience, providing guidance on strategic matters and such other factors as it may deem fit.

The non-executive directors are entitled to remuneration up to an aggregate limit of one percent per annum of the net profits of the Company. Within the aforesaid limit, the commission payable is determined by the Board and equal amount of commission is payable to all the Independent Non-Executive Directors on a pro-rata basis. For the year under review, remuneration to non-executive directors was approved by the Board of Directors with the interested non-executive directors, not participating or voting in the resolution.

Table 4: Details of Service Contracts

Name of Director	Tenure	Notice Period	Severance Fee
Arun Bharat Ram	5 years w.e.f. June 15, 2018	6 months by either party	As per the provisions of the Companies Act, 2013
Ashish Bharat Ram	5 years w.e.f. May 23, 2020 (subject to reappointment at upcoming AGM)	3 months by either party	As per the provisions of the Companies Act, 2013
Kartik Bharat Ram	5 years w.e.f. June 01, 2016	3 months by either party	As per the provisions of the Companies Act, 2013
Pramod Gopaldas Gujarathi	3 years w.e.f. April 01, 2020 (subject to reappointment at upcoming AGM)	1 month by either party	Nil

Shareholding of Non-Executive Directors

Table 5 gives details of the shares held by the non-executive Directors as on March 31, 2020.

Table 5: Equity Shares held by Non-Executive Directors as on March 31, 2020

Name of Director	Category	Number of Equity Shares Held
Tejpreet S Chopra	Independent	578
Lakshman Lakshminarayan	Independent	-
Vellayan Subbiah	Independent	13,407
Bharti Gupta Ramola	Independent	-
Puneet Yadu Dalmia	Independent	17,800
Yash Gupta	Independent	-
Dr Meenakshi Gopinath	Non-Independent	-

The Company has not issued any convertible securities to any Director

Information Supplied to the Board

The Board has complete access to all information with the Company. Inter-alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting:

- Annual operating plans and budgets and any update thereof
- Capital budgets and any updates thereof
- Quarterly results of the Company and operating divisions and business segments
- Minutes of the meetings of the audit committee and other committees of the Board
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary
- Materially important show cause, demand, prosecution notices and penalty notices
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions. Any significant development in human resources/ industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

In addition to the above, pursuant to the Listing Regulations the minutes of the Board meetings of your Company's unlisted subsidiary companies and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board.

Code of Conduct

The Company's Board has laid down a Code of Conduct for all Board members and senior management of the Company. The Code of Conduct is available on the website of the Company, <http://www.srf.com/investor-relations/investors.html#governance>. All Board members and designated senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

Risk Management

The Company has laid down procedures to inform the Board members about the risk assessment and minimisation procedures. These procedures are being periodically reviewed to ensure that management controls risk through means of a properly defined framework.

Statutory Committees of the Board

a) Audit Committee

i) Terms of Reference

The terms of reference of the Audit Committee are wide enough covering the matters as per the guidelines set out in the Listing Regulations read with Section 177 of the Companies Act, 2013. These broadly includes approval of annual internal audit plan, review of financial reporting systems, ensuring compliance with regulatory guidelines, discussions on quarterly, half yearly and annual financial results, interaction with statutory, internal and cost auditors, recommendation for appointment, remuneration and term of auditors, examination of financial statements and auditors' report thereon, review the functioning of the Whistle Blower Mechanism, review and monitor the auditor's independence and performance and effectiveness of audit process, approval or any subsequent modification of transactions of the Company with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the company, wherever it is necessary, evaluation of internal financial controls and risk management systems, reviewing with the management adequacy of internal control system and reviewing the utilization of loan and/ or advances from/ investment by the holding company in the subsidiary company exceeding prescribed limit.

In addition, the Committee also mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee and.

- 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).

ii) Composition of Audit Committee and Attendance of members in Audit Committee Meeting held during the year

As on March 31, 2020, the Audit Committee of SRF comprised of three Directors all of whom are independent namely Lakshman Lakshminarayan as Chairman, Vellayan Subbiah and Bharti Gupta Ramola as members. The constitution of the Committee meets the requirements of Section 177 of the Companies Act, 2013, as well as Regulation 18 of Listing Regulations. All the members of the Audit Committee are financially literate. Chairman, Managing Director, Deputy Managing Director, CFO, Internal Auditors and Statutory Auditors are invitees to the Committee. Company Secretary of the Company acts as Secretary to the Committee.

Table 6 provides details of the Audit Committee meetings held during the year 2019-20 and attendance of its members.

Table 6: Attendance Record of Audit Committee Meetings during 2019-20

Name of Members	Category	Date of Audit Committee Meeting and Attendance of Members			
		May 13, 2019	August 05, 2019	November 4, 2019	February 3, 2020
Lakshman Lakshminarayan (Chairman)	Independent, Non-Executive	Yes	Yes	Yes	Yes
Vellayan Subbiah	Independent, Non-Executive	Yes	Yes	Yes	Yes
Bharti Gupta Ramola	Independent, Non-Executive	Yes	Yes	No	Yes

b) Nomination and Remuneration Committee

i) Terms of Reference :

The terms of reference of the Committee are wide enough covering the matters specified in Listing Regulations and the Companies Act, 2013 and Terms of reference of the Committee briefly are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- Formulation of criteria for evaluation of Independent Directors and the Board
- Devising a policy on Board diversity.
- Formulation of policies for remuneration to Directors, Key Managerial Personnel, Senior Management Personnel functional heads and other Employees.
- Identification and recommendation to Board of persons who are qualified to become Directors, Key Managerial Personnel, Senior Management Personnel and functional heads in accordance with the criteria laid down.

- Recommend to the Board on appointment and removal of Directors, Key Managerial Personnel, Senior Management Personnel and functional heads
- Evaluation of the performance of Directors (other than independent directors).
- Evaluation of the performance of independent directors and make recommendations to Board.
- To oversee succession planning for Board of Directors, Key Managerial Personnel, Senior Management Personnel and Functional Heads.
- Formulation of criteria for making payment to Non-Executive Directors
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

ii) Composition of Nomination and Remuneration Committee and Attendance of members in the meetings of the Nomination and Remuneration Committee held during the year

As on March 31, 2020, this Committee comprised of three Directors, all of whom are independent namely Tejpreet S Chopra (Chairman), Yash Gupta & Puneet Yadu Dalmia as Members. The constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013.

Table 7 provides details of the Nomination and Remuneration Committee meetings held during the year 2019-20 and attendance of its members.

Table 7: Attendance Record of Nomination and Remuneration Committee Meetings during 2019-20

Name of Members	Category	Date of NRC Meeting and Attendance of Members	
		May 13, 2019	February 03, 2020
Tejpreet S Chopra (Chairman)	Independent, Non-Executive	Yes	Yes
Puneet Yadu Dalmia	Independent, Non-Executive	Yes	No
Yash Gupta	Independent, Non-Executive	Yes	Yes

iii) Annual Evaluation of Board, Committees and Individual Directors

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and as per the Nomination, Appointment and Remuneration Policy, the Board of Directors/ Independent Directors/Nomination & Remuneration Committee ("NRC") (as applicable) had undertaken an evaluation of the Board's own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

iv) Nomination, Appointment and Remuneration Policy

Performance evaluation of independent directors is done by the Nomination and Remuneration Committee on criteria like attendance and participation in Board and committee meetings, advice on implementation of good corporate governance practices, diligence and independence in judgement and actions, good faith and interest of the stakeholders, etc. Based on the recommendations of the NRC, the Board of Directors decide to continue their appointment or consider them for reappointment.

The Company's Nomination, Appointment and Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and Functional Heads forms part of the Board's Report and is also accessible on Company's website www.srf.com.

c) Stakeholders Relationship Committee

As on March 31, 2020, this Committee comprised four Directors—two executive Directors and two non-executive Directors namely Tejpreet S Chopra, Independent Director is Chairman, Yash Gupta, Independent Director and Ashish Bharat Ram & Kartik Bharat Ram Executive Directors are members of the Committee.

Table 8 provides details of the Stakeholders Relationship Committee meetings held during the year 2019-20 and attendance of its members.

Table 8: Attendance Record of Stakeholders Relationship Committee Meetings during 2019-20

Name of Members	Category	Date of Stakeholders Relationship Committee Meeting and Attendance of Members									
		17-Apr-19	24-May-19	15-Jun-19	10-Jul-19	20-Aug-19	23-Sep-19	30-Oct-19	22-Nov-19	16-Dec-19	02-Mar-20
Tejpreet S Chopra (Chairman)	Non-Executive, Independent	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No
Ashish Bharat Ram	Executive, Promoter	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Kartik Bharat Ram	Executive, Promoter	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yash Gupta	Non-Executive, Independent	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Rajat Lakhanpal is Compliance Officer under Listing Regulations.

To expedite the process of transfer, Company Secretary has been authorised by the Board to consider and approve the registration of transfer and transmission of shares/debentures upto a limit of 1,000 shares/debentures in any one case.

As on March 31, 2020, no investor complaint was pending with the Registrar and Share Transfer Agent. Table 9 gives data on the shareholder/investor complaints received and redressed during the year 2019-20.

Table 9: Shareholder and Investor Complaints received and redressed during 2019-20

Total Complaints Received	Total Complaints Redressed	Complaints not solved to the satisfaction of Shareholders	Pending as on March 31, 2020
220	220	Nil	Nil

d) Corporate Social Responsibility Committee ("CSR")

As on March 31, 2020, this Committee comprised of four Directors— Dr. Meenakshi Gopinath (Chairperson), Arun Bharat Ram, Kartik Bharat Ram and Lakshman Lakshminarayan as members. The constitution of the Committee meets the requirements of Section 135 of the Companies Act, 2013.

The terms of reference of the Committee in line with the requirements of the Section 135 of the Companies Act, 2013 and the rules framed thereunder.

Table 10 provides details of the CSR Committee meetings held during the year 2019-20 and attendance of its members.

Table 10: Attendance Record of CSR Committee Meetings during 2019-20

Name of Members	Category	Date of meeting and Attendance of Director	
		May 13, 2019	Feb 03, 2020
Dr. Meenakshi Gopinath (Chairperson)	Non-Independent, Non-Executive	Yes	Yes
Lakshman Lakshminarayan	Independent, Non-Executive	Yes	Yes
Arun Bharat Ram	Executive, Promoter	Yes	Yes
Kartik Bharat Ram	Executive, Promoter	Yes	Yes

e) Risk Management Committee

As on March 31, 2020, this Committee comprised of three Directors— Ashish Bharat Ram as Chairman, Kartik Bharat Ram and Bharti Gupta Ramola as Members. The composition of the Committee is in conformity with Regulation 21 of the Listing Regulations.

Table 11 provides details of the Risk Management Committee meetings held during the year 2019-20 and attendance of its members.

Table 11: Attendance Record of Risk Management Committee Meeting during 2019-20

Name of Members	Category	Date of meeting and Attendance of Director
		December 11, 2019
Ashish Bharat Ram (Chairman)	Executive, Promoter	Yes
Kartik Bharat Ram	Executive, Promoter	Yes
Bharti Gupta Ramola	Independent, Non-Executive	Yes

f) Committee of Directors – Financial Resources

As on March 31, 2020, this Committee comprised of three Directors— Arun Bharat Ram, Ashish Bharat Ram and Kartik Bharat Ram all of whom are executive directors.

Table 12 provides details of the Committee of Directors- Financial Resources meetings held during the year 2019-20 and attendance of its members.

Table 12: Attendance Record of Committee of Directors- Financial Resources Meetings during 2019-20

Name of Members	Date of Committee of Directors- Financial Resources Meeting and Attendance of Members									
	23-May-19	10-Jul-19	31-Jul-19	05-Aug-19	04-Nov-19	27-Nov-19	26-Dec-19	22-Jan-20	03-Feb-20	27-Feb-20
Arun Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ashish Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Kartik Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Management

Management Discussion and Analysis

This is given as a separate chapter in this Annual Report.

Disclosure Requirements

- During the year 2019-20, the Company had no materially significant related party transactions. Transactions with related parties are disclosed in Note No 32 to the Financial Statements. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said policies are available on the website of the Company at the <http://www.srf.com/investor-relations/investors.html#governance>. Policy of determining 'material subsidiaries' is available on the website of the Company at the <http://www.srf.com/investor-relations/investors.html#governance>.
- The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited, and the Company has complied with all the applicable requirements of capital markets and no penalties or strictures have been imposed on the Company by Stock Exchange(s), SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.
- Vigil Mechanism Policy: Section 177 (9) of the Companies Act, 2013 and Regulation 22 of Listing Regulations requires that a Company shall have a vigil mechanism for directors and employees for reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Vigil Mechanism Policy of the Company includes Code of Conduct for Directors and Senior Management Personnel, Code of Conduct for employees, Policy against sexual harassment, Whistle blower Policy and Code of Conduct for Prevention of Insider Trading. The Company is following such a policy and crux of which is disclosed by the Company on its website at the <http://www.srf.com/investor-relations/investors.html#governance>. No personnel has been denied access to the Audit Committee for raising his/her concern under this policy during financial year 2019-20.
- The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 (as applicable) and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations
- This Corporate Governance Report of the Company for the year 2019-20 is in compliance with the requirements of Listing Regulations, as applicable.

Non-Mandatory Requirement

The status of adoption of the non-mandatory requirements as specified in sub – regulation 1 of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

(a) The Board: The Chairman of the Company is Executive Chairman; **(b) Shareholder Rights:** Half-yearly and other quarterly financial statements are published in newspapers and uploaded on Company's website www.srf.com.in **(c) Modified opinion(s) in audit report:** The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements; **(d) Separate posts of Chairperson and CEO:** Arun Bharat Ram is the Chairman and Ashish Bharat Ram is the Managing Director of the Company; and **(e) Reporting of Internal Auditor:** The Internal Auditor of the Company reports to the President & CFO of the Company and has direct access to the Audit Committee.

CEO/CFO certification

The Certificate in compliance with Regulation 17(8) of Listing Regulations was placed before the Board of Directors.

Appointment/ Reappointment/Resignation of Directors

Pramod G Gujarathi, Director is retiring by rotation and being eligible, offer himself for re-appointment.

The present tenure of service of contract of Ashish Bharat Ram, Managing Director was upto May 22, 2020. Ashish Bharat Ram has been re-appointed as Managing Director for a period of 5 years wef May 23 2020 subject to approval by shareholders at the ensuing Annual General Meeting.

The present tenure of service of contract of Pramod G Gujarathi (Director Safety and Environment) was upto March 31, 2020. Pramod G Gujarathi has been re-appointed as Director Safety and Environment for a period of 3 years wef April 1, 2020 subject to approval by shareholders at the ensuing Annual General Meeting.

Brief resumes of all the directors proposed to be re-appointed are given in the Notice of the 49th Annual General Meeting.

Means of Communication with Shareholders

Quarterly and annual results of SRF are published in two major national dailies, generally Business Standard / Financial Express (in English) and Jansatta (in Hindi). In addition, these results are posted on the website of the Company, www.srf.com. The website also contains other information regarding SRF available in the public domain.

SRF communicates with its institutional shareholders through analysts briefing and individual discussions between the fund managers and the management team. The presentations made to analysts and funds managers are posted on the Company's website.

General body meetings

Last three Annual General Body Meetings

The details of the last three AGMs are given in Table 13.

Table 13 : Last three AGMs of the Company

Year	Location	Date	Time	No. of Special Resolutions Passed
2016-17	Laxmipat Singhanian Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	August 8, 2017	3.30 P.M.	2
2017-18	Laxmipat Singhanian Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 Same as Above	August 7, 2018	11.00 A.M.	7
2018-19	Laxmipat Singhanian Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 Same as Above	August 5, 2019	3.30 P.M.	2

Postal Ballot

During the year, no resolution was passed through Postal Ballot.

Additional Shareholder Information

49th Annual General Meeting

Day : Monday

Date : August 17, 2020

Time : 11 A.M.

Venue: The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 [Deemed Venue for meeting: Registered Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091]. For details please refer to the Notice of this AGM

Financial Year

1 April to 31 March

Tentative Financial Calendar for Results, 2020-21

First Quarter	Last week of July 2020
Second Quarter	First week of November 2020
Third Quarter	First week of February 2020
Fourth Quarter and Annual	Second week of May 2021

Interim Dividend Payment Date

Two interim dividends of ₹ 7 per share each (70 per cent) on the paid up capital of the Company absorbing ₹ 97.01 Crores approx. (inclusive of tax) were paid on August 23, 2019 and February 20, 2020 respectively.

Details of Total fees paid to Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part

B S R & Co. LLP, Chartered Accountant who are the Statutory Auditors of the Company are a part of B S R & Affiliates network. During financial year 2019-20, total fees paid by the Company and its subsidiaries on a consolidated basis to B S R & Co. LLP, Chartered Accountant and all entities forming part of B S R & Affiliates network is given below -

Name of Company	Name of Entity forming part of B S R & Affiliates network	Details of remuneration	Amount (in Crores)
SRF Limited	B S R & Co. LLP, Chartered Accountant	- Audit fees	0.50
		- For limited review of unaudited financial results	0.35
		- For Corporate governance, consolidated financial statements and other certificates	0.09
		- For tax audit	0.06
		- Reimbursement of out of pocket expenses	0.09
		Total	1.09

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year 2019-20

No. of complaints filed during the financial year	0
No. of complaints disposed off during the financial year	0
No. of complaints pending as on the end of the financial year	0

List of Credit Ratings

Instrument	Rating Agency	Rating	Outlook
Fund Based and Non-Fund Based Limits	India Ratings	IND AA+/Stable/IND A1+	Stable
Fund Based and Non-Fund Based Limits	CRISIL	CRISIL AA+/Stable/ CRISIL A1+	Stable
Long Term Loans	India Ratings	IND AA+/Stable	Stable
Long Term Loans	CRISIL	CRISIL AA+/Stable	Stable
Commercial Papers	India Ratings	IND A1+	Stable
Commercial Papers	CRISIL	CRISIL A1+	Stable
Non-Convertible Debentures	CRISIL	CRISIL AA+/Stable	Stable

During the year under review, there have been revisions in Credit Rating, which are being reflected above.

Listing on Stock Exchanges in India

SRF's shares are listed on the BSE and the NSE and debentures are listed on NSE. The Company has paid the listing fee to both BSE and NSE for the year 2019-20. The Stock Codes are:

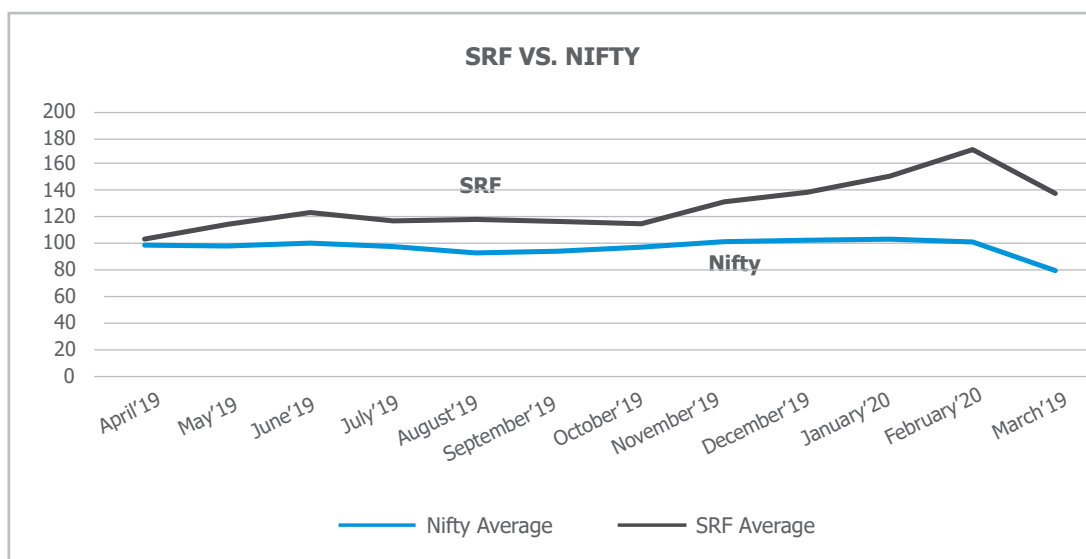
Stock Exchanges	Equity Shares	Debentures
BSE Limited	503806	-
National Stock Exchange	SRF	INE647A07033

Stock Market Data

Table 14 gives the monthly high and low quotations as well as the volume of shares traded at BSE and NSE during 2019-20.

Table 14: Monthly Highs and Lows and Volumes Traded at the BSE Limited and NSE Limited during 2019-20

Month	BSE Limited			NSE Limited		
	Highest Price (₹)	Lowest Price (₹)	Volume (No.)	Highest Price (₹)	Lowest Price (₹)	Volume (No.)
Apr-19	2579.90	2201.00	340,558	2582.45	2172.60	7,399,617
May-19	2981.45	2333.90	568,375	2982.90	2335.00	10,471,038
Jun-19	3075.50	2779.00	315,253	3077.00	2774.15	6,810,617
Jul-19	3086.00	2615.00	328,459	3086.10	2612.30	7,150,476
Aug-19	3090.00	2551.85	552,854	3049.80	2551.50	9,980,739
Sep-19	3000.00	2675.60	295,363	3003.00	2675.70	5,196,959
Oct-19	2947.55	2590.00	240,805	2948.00	2588.00	6,560,329
Nov-19	3273.95	2854.40	356,614	3272.90	2860.00	9,002,246
Dec-19	3454.80	3176.60	242,361	3456.45	3173.90	5,563,219
Jan-20	3860.00	3379.60	142,692	3861.00	3381.00	4,071,875
Feb-20	4258.90	3644.90	271,897	4260.00	3641.30	7,132,507
Mar-20	4019.35	2492.20	380,802	4019.00	2467.65	6,519,858



Registrar and Share Transfer Agents

M/s KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), Hyderabad are the Registrar and Share Transfer Agent of the Company for handling both electronic and physical shares.

Share Transfer System

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 request for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in dematerialized form with the depositories. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Depository System

Shareholders can trade in the Company's shares only in electronic form. The process for getting the shares dematerialised is as follows:

- Shareholder submits the shares certificate along with De-materialisation Request Form (DRF) to Depository Participant (DP)
- DP processes the DRF and generates a unique De-materialisation Request No
- DP forwards the DRF and share certificates to the Registrar and Share Transfer Agent (RTA)
- RTA after processing the DRF confirms or rejects the request to Depositories
- If confirmed by the RTA, depositories give the credit to shareholder in his /her account maintained with DP

This process takes approximately 10-15 days from the date of receipt of DRF.

As the trading in the shares of the Company can be done only in the electronic form, it is advisable that the shareholders who have the shares in physical form get their shares dematerialised.

Dematerialisation of Shares & Liquidity

As on March 31, 2020 there were 51821 shareholders holding 56,616,962 shares in electronic form. This constitutes 98.50 per cent of the total paid-up share capital of the Company.

Distribution of Shareholding as on March 31, 2020

Table 15 gives the distribution of shares according to shareholding class, while Table 16 gives the distribution of shareholding by ownership.

Table 15: Pattern of Shareholding by Share Class as on March 31, 2020[®]

No. of Equity Shares held	No. of shareholders	% of Shareholders	No. of shares	% of Shareholding
Upto 500	58,531	95.96	3,725,473	6.49
501- 1000	1,348	2.21	979,171	1.70
1001 - 2000	522	0.86	770,466	1.34
2001 - 3000	156	0.26	394,299	0.69
3001- 4000	92	0.15	325,939	0.57
4001- 5000	60	0.10	277,372	0.48
5001 - 10000	104	0.17	721,307	1.25
10001 & Above	179	0.29	50,286,473	87.48
Total	60,992	100.00	57,480,500	100.00

Table 16: Pattern of Shareholding by Ownership as on March 31, 2020

S No.	Category	No. of Shares	% Equity
1	ALTERNATIVE INVESTMENT FUND	266,651	0.46
2	BANKS	4,201	0.01
3	CLEARING MEMBERS	181,731	0.32
4	DIRECTORS*	13,985	0.02
5	EMPLOYEES	84,683	0.14
6	FOREIGN INSTITUTIONAL INVESTOR	20,157	0.03
7	FOREIGN PORTFOLIO - CORP	10,499,739	18.27
8	H U F	202,168	0.35
9	I E P F	367,107	0.64
10	INDIAN FINANCIAL INSTITUTIONS	32,515	0.06
11	INSURANCE COMPANIES	141,532	0.25
12	BODIES CORPORATES	698,511	1.22
13	MUTUAL FUNDS	6,322,014	11.00
14	NBFC	1,942	0.00
15	NON RESIDENT INDIANS	88,397	0.15
16	NRI NON-REPATRIATION	695,868	1.21
17	PROMOTER COMPANIES	30,049,000	52.28
18	COMPANY PROMOTERS	27,500	0.05
19	RESIDENT INDIVIDUALS	6,319,966	10.99
20	QIB	1,455,512	2.53
21	TRUSTS	3,818	0.01
22	UNIT TRUST OF INDIA	3,503	0.01
Total:		57,480,500	100.00

[®] Including holdings by NSDL and CDSL

* does not include 17,800 Equity Shares acquired by Puneet Yadu Dalmia, Independent director during March 2020 and not yet credited in his Demat account as on 31.03.2020.

Outstanding GDRs/ ADRs/ Warrants or Any Convertible Instruments, Their Conversion Dates and Likely Impact on Equity

As on March 31, 2020, there were no outstanding GDRs/ ADRs/ Warrants or any convertible instruments

Commodity price risk or foreign exchange risk and hedging activities

During the year 2019-20, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. There is no direct hedgeable commodity risk that the Company has on any of its raw materials or finished products. Thus, the Risk Management Policy covers only net forex exposure on account of its imports and exports.

The details of foreign currency exposure are disclosed in the Note No. 38 to the Financial Statements.

Plant Locations

Business	Plant Locations
Technical Textiles Business	<ul style="list-style-type: none"> Manali Industrial Area, Manali, Chennai-600068, Tamil Nadu Industrial Area, Malanpur, Distt. Bhind - 477116, MP Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi, Dist. Thiruvallur - 601 201, Tamil Nadu Viralimalai, Distt. Pudukottai - 621 316, Tamil Nadu Plot No. 12, Rampura, Ramnagar Road, Kashipur, Dist. Udham Singh Nagar - 244713, Uttarakhand
Chemicals and Other Business	<ul style="list-style-type: none"> Village & P.O. Jhiwana, Tehsil Tijara, Distt. Alwar - 301 018, Rajasthan DII / I GIDC. PCPIR, GIDC Phase II, Tal Vagra, Vill. Dahej, Dist Bharuch - 392130, Gujarat
Packaging Films Business	<ul style="list-style-type: none"> Plot No. 12, Rampura, Ramnagar Road, Kashipur, Dist. Udham Singh Nagar - 244713, Uttarakhand Plot No. C 1-8, C 21-30, Sector 3, Indore Special Economic Zone, Pitam Pur, Dist. Dhar - 454775, Indore, MP Plot No. 675, Industrial Area, Sector 3, Village Bagdoon, Pithampur, Dist. Dhar - 454775, Indore MP

Address for Correspondence

Registered Office	Corporate Office	Registrar & Share Transfer Agent	Debenture Trustee
The Galleria, DLF Mayur Vihar, Unit No.236 & 237, Second Floor, Mayur Place, Mayur Vihar, Phase-I Extn., Delhi - 110091. Tel No.: (+ 91-11) 49482870 Fax No.: (+ 91 11) 49482900 E-mail : cs@srf.com	Block-C, Sector-45 Gurugram 122 003 Tel No.: (+ 91-124) 4354400 Fax No.: (+ 91-124) 4354500 E-mail : cs@srf.com	KFin Technologies Private Limited Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500032 Tel No : (+91- 40) 67162222 Fax No : (+91- 40) 2300 1153 E-mail : einward.ris@kfintech.com	Vistra ITCL (India) Limited The IL&FS Financial Centre Plot C-22, G Block Bandra Kurla Complex, Bandra East, Mumbai 400 051 Tel: (011) 46577591 Email: itclcomplianceofficer@vistra.com Website: www.vistraitcl.com Contact Person: Amit Joshi, Regional Head – Corporate Trustee (North & East)

Declaration Regarding Code of Conduct

I, Ashish Bharat Ram, Managing Director of SRF Limited hereby declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended March 31, 2020.

Ashish Bharat Ram
Managing Director

Date: June 4, 2020

Place: Gurugram



Business Responsibility Report

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

About SRF

SRF Limited is a chemical based multi-business entity engaged in the manufacturing of industrial and specialty intermediates. The company is widely recognized and well respected for its R&D capabilities globally, especially in the niche domain of chemicals. SRF is a market leader in most of its business segments in India and also commands a significant global presence in some of its businesses, with operations in three countries namely, India, Thailand and South Africa and an upcoming facility in Hungary. The company has commercial interests in more than seventy-five countries and classifies its main businesses as Technical Textiles Business (TTB), Chemicals Business (CB), Packaging Films Business (PFB) and Other Businesses.

About this report

The Securities and Exchange Board of India (SEBI) as per its (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 500 listed entities based on market capitalization at the BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of those 9 Principles. Following is the Business Responsibility Report of our Company for FY 2019-2020, which is based on the format recommended by SEBI.

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company	: L18101DL1970PLC005197
2. Name of the Company	: SRF Limited
3. Registered Address	: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi- 110 091
4. Website	: www.srf.com
5. Email id	: info@srf.com
6. Financial Year reported	: 2019-2020
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	: SRF Limited is a chemical based multi-business entity engaged in the manufacturing of industrial and specialty intermediates. The company classifies its businesses as Technical Textiles, Chemicals, Packaging Films and Other Businesses.

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

SRF's product portfolio can be broadly categorized into

- Technical Textiles
- Chemicals
- Packaging Films

Technical Textiles include Tyre Cord Fabrics, Belting Fabrics and Industrial Yarn. Chemicals include Fluorochemicals and Specialty Chemicals. Packaging Films include Polyester Films viz. BOPET (Biaxially-oriented polyethylene terephthalate) and BOPP (Biaxially oriented polypropylene film)

9. Total number of locations where business activity is undertaken by the Company**i) Number of International Locations (Provide details of major 5)**

Details of SRF's international businesses, through its overseas subsidiaries, are given below:-

S. No.	Name of Subsidiary and Country	Major products/ categories
1.	SRF Industries (Thailand) Ltd., Thailand	Packaging Films
2.	SRF Flexipak (South Africa) (Pty) Ltd., South Africa	Packaging Films
3.	SRF Industex Belting (Pty) Ltd., South Africa	Chemicals Business (Trading)
4.	SRF Europe KFT*, Hungary	Packaging Film Business

*Yet to commence operations

ii) Number of National Locations

SRF has manufacturing plants in 9 locations across the country.

State	Location
Tamil Nadu	Manali
Tamil Nadu	Viralimalai
Tamil Nadu	Gummidipoondi
Gujarat	Dahej
Rajasthan	Jhiwana
Madhya Pradesh	SEZ Indore
Madhya Pradesh	Industrial Growth Centre Pithampur
Madhya Pradesh	Malanpur
Uttarakhand	Kashipur

SRF's regional offices are situated at Delhi, Mumbai, Chennai and Kolkata.

10. Markets served by the Company – Local/State/National/ International

SRF serves both national and international markets spread across Asia, Africa, Europe, North America and South America.

Section B : Financial Details of the Company

1. Paid up Capital (₹)	: 57.48 Crores
2. Total Turnover (₹)	: 6330.84 Crores
3. Total profit after taxes (₹)	: 974.18 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) calculated in accordance with Companies Act, 2013	: Total spending on CSR is 2.06% of average profit after tax of the past 3 years calculated in accordance with Companies Act, 2013. This is detailed in the Annual Report of CSR Activities, ANNEXURE – II to the Board's Report.
5. List of activities in which expenditure in 4 above has been incurred	: List of CSR activities are detailed in the Annual Report of CSR Activities, ANNEXURE – II to the Board's Report.

Section C : Other Details

1. Does the Company have any Subsidiary Company/Companies ?	<p>Following are the wholly owned subsidiary companies:-</p> <ul style="list-style-type: none"> • SRF Global BV, The Netherlands (Foreign Wholly Owned Subsidiary) • SRF Industries (Thailand) Ltd., Thailand (Foreign Wholly Owned Subsidiary) • SRF Flexipak (South Africa) (Pty) Ltd., South Africa (Foreign Wholly Owned Subsidiary) • SRF Industex Belting (Pty) Ltd., South Africa (Foreign Wholly Owned Subsidiary) • SRF Europe Kft, Hungary (Foreign Wholly Owned Subsidiary) • SRF Holiday Home Ltd. (Domestic Wholly Owned Subsidiary)
2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	<p>The subsidiary companies operate in different jurisdictions and are engaged in their own BR initiatives as applicable to them.</p>
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company ? If yes, then indicate the percentage of such entity/entities ? [Less than 30%, 30-60%, More than 60%]	<p>No</p>

Section D : BR Information

1. Details of Director/Directors responsible for implementation of the BR policy/policies

Implementation of BR policies is the responsibility of Mr. Kartik Bharat Ram, Deputy Managing Director (DIN: 00008557)

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

S. N.	Questions	Principle1 Ethics, transparency & Sustainability, accountability	Principle2 Sustainability in life-cycle of products	Principle3 Employee well-being	Principle4 Stakeholder engagement	Principle5 Promotion of human rights	Principle6 Environmental protection	Principle7 Responsible public policy advocacy	Principle8 Inclusive growth	Principle9 Customer value
1	Do you have a policy/policies for	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No
2	Has the policy been developed in consultation with relevant stakeholders?	Yes	NA	Yes	No	Yes	Yes	NA	Yes	NA
3	Does the policy conform to any national/ international standards? If yes, specify.	NA	NA	Yes OHSAS 18001:2007 SA 8000 (Social Accountability)	No	NA	Yes ISO 14001 (Environment Management System) ISO 50001 (Energy Management System) The policies are in line with the best practices followed in the industry	NA	NA	NA
4	Has the policy been approved by the Board ? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director	Yes, Board of Directors President - HR	NA	Yes, Board of Directors CEO, President - HR	Yes, Board of Directors MD and Director (CSR)	Yes, Board of Directors President - HR	No	NA	Yes, Board of Directors MD and Director (CSR)	NA
5	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	NA

S. N.	Questions	Principle1 Ethics, transparency & Sustainability, accountability	Principle2 Sustainability in life-cycle of products	Principle3 Employee well-being	Principle4 Stakeholder engagement	Principle5 Promotion of human rights	Principle6 Environmental protection	Principle7 Responsible public policy advocacy	Principle8 Inclusive growth	Principle9 Customer value
6	Indicate the link for the policy to be viewed online ^a	Partial 1. Code of Conduct for Directors & Sr. Management Personnel 2. Whistleblower Policy 3. Code of Conduct for Prevention of Insider Trading	NA	No	Yes 1. CSR Policy 2. Dividend Distribution Policy	No 1. Policy against Sexual Harassment 2. Whistleblower Policy	No	NA	Yes 1. CSR Policy https://bit.ly/2X7O6m	NA
7	Has the policy been communicated to the relevant internal and external stakeholders?	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	NA
8	Does the Company have an in-house structure to implement the policy?	Yes	NA	Yes	Yes	Yes	Yes	NA	CSR Policy is implemented through SRF Foundation	NA
9	Does the Company have a grievance redressal mechanism related to the policy / policies?	Yes	NA	Yes	No	Yes	Yes	NA	Yes	NA
10	Has the Company carried out Independent audit/ evaluation of the working of this policy by an internal or external agency?	No	NA	Yes	No	Yes	Yes	NA	No	NA

CSR Policy : [http://www.srf.com/pdf/2015%20\(05\)%2011%20-%20SRF%20-%20CSR%20Policy%20-%20Board%20approved.pdf](http://www.srf.com/pdf/2015%20(05)%2011%20-%20SRF%20-%20CSR%20Policy%20-%20Board%20approved.pdf)

Dividend Distribution Policy: <http://www.srf.com/pdf/Dividend%20Distribution%20Policy%2011.11.16.pdf>

Link for Policies
Code of Conduct for Directors & Sr. Management: <http://www.srf.com/pdf/Code%20of%20Conduct%20for%20Directors%20and%20Senior%20Management%20Team%20-%20Aug2014.pdf>

Code of Conduct for Prevention of Insider Trading: [http://www.srf.com/pdf/2015%20\(11\)%2066%20-%20Code%20of%20Conduct%20to%20Regulate%20Monitor%20and%20Report%20SRF%20v2.pdf](http://www.srf.com/pdf/2015%20(11)%2066%20-%20Code%20of%20Conduct%20to%20Regulate%20Monitor%20and%20Report%20SRF%20v2.pdf)

2A If answer to S. No. 1 against any principle, is 'No', please explain why : (Tick upto 2 options)

S. No.	Question	Principle 2 : Sustainability in life-cycle of products	Principle 7 : Responsible public policy advocacy	Principle 9 : Customer value
1.	The Company has not understood the Principles			
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles			
3.	The company does not have financial or manpower resources available for the task			
4.	It is planned to be done within next 6 months			
5.	It is planned to be done within the next 1 year			
6.	Any other reason (please specify)	SRF manufactures intermediate products which are largely supplied to other industries for manufacturing of the final product. Any sustainability initiative has to take into account the final product as a whole for which the manufacturer of the final product is responsible	SRF is a member of various industrial and trade bodies. We actively participate in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be a part of the broader policy development process through making representations to Chambers of Commerce, giving our comments on the proposed amendments in the relevant legislations and being a part of discussions with the representatives of the relevant authorities in open forums. Hence, we do not feel such a policy is necessary for us.	SRF is a business to business player and as such the customers are largely manufacturing companies which have stringent quality control measures in place and the quality of the product supplied by SRF is a part of the agreements with them. The product is manufactured as per the agreed parameters and specifications

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Board of Directors discuss the BR performance annually. CSR Committee generally

discusses the relevant areas pertaining to CSR annually.

Does the Company publish a BR or a Sustainability Report ? What is the hyperlink for viewing this report ? How frequently it is published ?

The financial year 2019-2020 is the fourth year for which the provisions of Business

Responsibility Reporting of the Listing Regulations are applicable to the Company. The Company is publishing BRR report for financial year 2019-20 as part of its Annual Report. The Annual Report is available on the website of the Company at <https://www.srf.com/investor-relations/investors.html#investorinfo>.

The Chemicals Business of the Company has been publishing a Sustainability Report every two years. The last report for 2015-17 is available at <http://www.srf.com/pdf/Sustainability/SRFSustainabilityReport2015-17final.pdf>.

Section E : Principle-wise performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

The integrity of our people and fairness in organizational and business dealings is of utmost importance to all in SRF. As a responsible and leading organization, SRF conducts its business with utmost integrity. This is exemplified in our Values which are not just strong words but a way of life, reflected in our day-to-day behavior. We have the following policies in place which form the foundation of our Company's commitment towards ethical conduct at all levels:

- Code of Conduct: SRF has its Code of Conduct which is applicable to all the employees of the Company including the employees of the subsidiaries. It does not extend to the suppliers/contractors/NGOs etc. It is a must for every employee in all the business units/subsidiaries to follow the values enshrined in the Code of Conduct in their day to day activities. All employees must read and understand this Code and abide by it.
- Whistle-Blower Policy: This Policy is applicable to the Directors of the Company or a person who is in direct or indirect employment with the company who makes a protected disclosure under this policy. This Policy provides a platform to these

stakeholders for making any communication made in good faith that discloses or demonstrates evidence of any fraud or unethical activity within the company and had provisions to ensure protection of the whistleblower against victimization for the disclosures made by him/her.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management?

During the reporting period, no complaint was received under the provisions of Whistle-Blower Policy.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- I. Development of HFC-467A, which has zero ODP.

2. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the company has procedures in place to evaluate sustainability of suppliers which are reviewed periodically. The raw material and packaging purchased is tightly specified due to hazardous nature of our products and no compromise is permissible on specifications.

3. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company sources packing materials and has awarded contracts like security, canteen, employee transport, housekeeping and other repairs and maintenance through local

sources. As we deal in hazardous substances, our purchases are mostly from organized sector. However, we do buy some engineering items from small producers and we help them improve their product quality by improving their engineering skills. We also hire contractors from the areas neighboring our plant and improve their capability by imparting training in various fields like safety, hazard handling, compliances etc.

4. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).

Sludge generated during treatment of effluent from the Effluent Treatment Plant has a composition similar to the raw material of Chemical Business viz. Fluorospa. Hence, 100% sludge is mixed with fresh raw material and used in manufacturing of Anhydrous Hydrogen Fluoride to recover the fluoride value in the sludge. Product recycling is negligible.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

S. No.	Category	No. of complaints filed during the Financial Year	No. of complaints pending as at end of the Financial Year
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	0	0
3.	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

a. Permanent Employees	79%
b. Permanent Women Employees	72%
c. Casual/Temporary/Contractual Employees	96%
d. Employees with Disabilities	94%

Principle 3

1. Please indicate the total number employees.

Permanent employees : 6299

2. Please indicate the total number of employees hired on temporary/contractual/casual basis

Temporary/contractual/casual basis : 4997

3. Please indicate the number of permanent women employees: 243

4. Please indicate the number of permanent employees with disabilities: 17

5. Do you have an employee association that is recognized by Management?

Yes

6. What percentage of your permanent employees is Members of this recognized employee association?

13%

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, SRF has mapped its internal and external stakeholders. We recognise employees, communities surrounding our operations, business associates (network of suppliers, stockists and dealers), customers, shareholders and regulatory authorities as our key stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the Company has identified disadvantaged, vulnerable & marginalized stakeholders from the local community and the work force and has also engaged them for their socio-economic development through various CSR and Affirmative Action interventions. Local communities have been engaged under the CSR framework to work on good quality teaching-learning opportunities with the use of technology for children from low socio-economic status communities, and livelihood project infrastructure for youth who could not complete education. There are a few small and medium sized customers in one of our other businesses viz. Laminated fabrics business who look up to us for working Capital support.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, the Company, in partnership with the Govt. and the local communities, has taken many initiatives under Affirmative Action and CSR focused upon Education, Skill and Livelihood development of the local community. In addition, recruitment of the equally qualified people from the local community is also encouraged. To minimize the Business' environmental impact on the community, an integrated Natural Resource Management project (NRM) is also under implementation with its regular impact assessment

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures /Suppliers / Contractors /NGOs/Others?

We have the Code of Conduct and Whistleblower Policy which covers issues related to human rights. The details of these two policies have been covered elsewhere in this Report. We do not deal with any supplier/contractor if it is in violation of human rights and we do not employ any person below the age of eighteen. We also

prohibit the use of forced or compulsory labour at all our units and discourage the same with our business associates.

The said policies discourage violation of SRF values and provide a fair and transparent mechanism for reporting any such violation. The Whistleblower Policy consists of a Value Steering Committee which investigates the disclosure made by the Whistleblower and recommends disciplinary or corrective action based on the outcome of the investigation. This policy also provides direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. The system is designed to ensure confidentiality and protect the complainant from being victimized. False allegations are also dealt with disciplinary action in accordance with the Policy. A quarterly report of the summary of disclosures received and action recommended/taken to the Audit Committee .

Any amendment or modification in the Whistleblower Policy would be approved in writing by the Managing Director of the Company and would be placed before the Audit Committee for its noting.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint was received pertaining to human rights violation during the past financial year.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/Suppliers/Contractors / NGOs/others.

The Safety, health and environment policy of the company covers all its Business verticals and it applies to the contractors working for the company by way of incorporating the safety health and environment compliances in the agreement and in certain cases cover the interest of customers/ suppliers/ transporters/ contractors etc.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the company is complying with the guidelines of Montreal protocol, Kyoto protocol and other such regulations notified by Government of India. Chemicals Business has already phased out substances like Halons & Chlorofluorocarbons which had high ozone depleting potential. HCFC-22 is being phased out as per guidelines of Montreal protocol. Power is being sourced from own windmills (13.95 MW capacity) and through a SPV arrangement (22.4 MW capacity). A 5 MW solar power plant in one of the plants has been commissioned. The company also has Biomass boilers using rice husk and similar fuel for its steam requirement and Thermic fluid heating requirements.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the company disposes its hazardous wastes to authorized agencies as identified by the Pollution Control Board. The company also disposes its e-waste to authorized agencies. The company has a well-defined on site and off site emergency plans in place for dealing with any environmental risks, which is audited and inspected by the Directorate of Industrial safety and health. The Company is certified in ISO 14001 (environmental management system). Under this standard, we have identified & assessed environmental aspect & its impact for all the major activities being performed at the site. We also conduct Environmental impact assessment (EIA) from time to time or at the time of setting up of new plant or expansion with the help of third-party expert.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

In the past the company had an approved CDM project for incarceration of HFC-23. This helped in reduction of emission to the tune of 3 to 4

Million MT of Co2 equivalent. But even after the CDM project got over, the company has not allowed emission of HFC-23. The Company had filed environmental compliance report.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, apart from sourcing of energy through wind power, solar power and biomass fuel, the company has taken initiative in converting all its lighting to energy efficient LED lights, usage of energy efficient motors, transformers etc. for various drives and reusing of the waste heat. The company also recycles its packing materials made of paper (paper tubes / cartons / corrugated boards etc.) to minimize usage. The captive power plant at Bhiwadi site of Chemicals Business consists of Biomass Boiler, where mustard husk and wood chips are used as fuel to generate steam. Bhiwadi is a zero discharge site. Through our Natural Resources Management project we replenish almost double water every year against what we consume.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the company complies with all the Central Pollution Control Board /State Pollution Control Board norms of emission and waste generation.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- a. Confederation of Indian Industry
- b. Association of Synthetic Fibres

- c. The Plastic Export Promotion Council
- d. Polyester Film Manufacturers Association
- e. Basic Chemicals, Cosmetics & Dyes Export Promotion Council
- f. Refrigerant Gases Manufacturers Association
- g. Indian Chemical Council
- h. Indian Technical Textile Association
- i. Federation of Indian Chambers of Commerce & Industry
- j. BOPET films Europe
- k. Petcore Europe

- 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

No

Principle 8

- 1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes, for the inclusive growth and equitable development of the local community, based upon the need assessment, the Company under CSR, has taken many initiatives by collaborating with Government, Corporates, NGOs and Community focused upon Education, Vocational Skill, Natural Resource Management and Rural Development. Through its Rural Education Programs (REP) focused upon the physical, academic and digital transformation of Govt. schools into Model Schools, SRF brings a difference to the lives of over 78,714 students in 269 schools at 21 locations across 9 states in India in partnership with respective state Governments and various Corporates and NGOs. SRF has also established many vocational training centres integrating school dropouts and unemployed youths into mainstream workforce by equipping them

with skills in various trades aiming enhanced employability and earning. The program has so far impacted more than 6,575 young men and women by making both the skills and the opportunities available for them. Through its Natural Resource Management project (NRM) project, SRF has positively impacted over 8221 poor families with sustainable livelihood options. Details of the areas in which specified programmes/initiatives/projects in pursuit of the CSR Policy are taken are described in the said Policy which is available on the website of the Company at [http://www.srf.com/pdf/2015%20\(05\)%2011%20-%20SRF%20-%20CSR%20Policy%20-%20Board%20approved.pdf](http://www.srf.com/pdf/2015%20(05)%2011%20-%20SRF%20-%20CSR%20Policy%20-%20Board%20approved.pdf)

- 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

Programmes pertaining to Principle 8 are developed and executed by SRF Foundation, a non profit society set up by the Company and which is the implementation agency for CSR activities of the Company.

- 3. Have you done any impact assessment of your initiative?**

Yes, SRF Foundation makes an annual presentation to the CSR Committee/Board of the Company on the efficacy of the programme in terms of delivery of the desired benefits to the beneficiaries of the projects and to gain insights for improving the design and delivery of future projects. In addition, the third party evaluation and impact assessment of its Education and NRM projects have also been done.

- 4. What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.**

For FY 2019-20, Company's contribution for CSR is ₹ 12.00 Crores, which were spent on the projects pertaining to Education, Vocational Skills, Natural Resource Management, Rural Development, Art & Culture.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. As based upon the need assessment, the Company undertakes all its CSR interventions in partnership with the local community, therefore, the community not only actively engage and partner with but also take the ownership of the projects from its planning, implementation and post implementation sustainability of the social assets created. To ensure this process of community ownership, various Community based groups, such as School Management Committees, Village Development Committees, Women Group etc., have been formed and strengthened who are taking up the projects at the next level.

Principle 9

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

There were only 2 customer complaints under investigation & resolution at the end of Mar '20 for Technical Textiles Business .

There were 13% of the total customer complaints which were under investigation & resolution at the end of Mar '20 for the Fluorochemicals Business.

There were no customer complaints pending for the Specialty Chemicals Business, Packaging Films Business, Coated and Laminated Fabrics.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

As SRF largely manufactures intermediates and supplies to industrial customers this is not applicable to us.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Customer satisfaction are regularly monitored based on "Customer vendor rating & feedback" periodically provided by the customers.

Independent Auditors' Report

To the Members of

SRF Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of SRF Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Accounting for derivatives

An important element of Company's fund-raising strategy involves various types of borrowings including foreign currency denominated borrowings and a combination of fixed and floating interest rates. The Company's operating activities are also exposed to significant foreign exchange risk (refer to note 38 of the standalone financial statements).

The Company uses derivative financial instruments to mitigate foreign currency risk and interest rate risk primarily through foreign currency forward exchange contracts and interest rate swaps.

Further, the Company has been using hedge relationship designation as per criteria set out in relevant Indian accounting standards.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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:

In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:

- Tested the design, implementation and operating effectiveness of controls over the Company's treasury and other related functions which directly impact the relevant account balances and transactions, including hedge accounting.
- For selected samples, obtained external confirmations from counterparties of the year end positions as well as agreed to original agreements.
- Performed sample tests of valuation and accounting of these transactions. In doing so we have involved valuation specialists to assist us in carrying out aforesaid procedure, as considered necessary.

Accounting thereof and related presentation and disclosures of these transactions require significant judgement.

Given the significant level of judgement and estimation involved and the quantitative significance, we have determined this to be a key audit matter.

Impact of adopting the new income tax regime

See notes 17 and 29 to the standalone financial statements.

With effect from financial year 2019-2020, the Income Tax Act provides an option of paying income taxes at a lower rate subject to complying with certain prescribed conditions ('new tax regime'). The Company has opted to shift to the new tax regime from a financial year in the future.

Accordingly, the deferred tax balances which are expected to reverse subsequent to the Company shifting to the new tax regime in the specified future year were remeasured and the consequential amount was recognised in the Standalone Statement of Profit and Loss of the current year. This amount is considered to be significant.

The determination of the point in time at which the Company would shift to the new tax regime involves significant judgement and estimation [including, consideration of uncertainties associated with COVID 19 pandemic, refer note 41(g)], regarding forecasting future taxable profits and realisation of MAT credit entitlement (an item of deferred tax assets). Since the impact of remeasurement of deferred tax balances as stated above is sensitive to these judgements and estimates, it affects the amount of deferred tax balances (including MAT credit) that are reversed in the Standalone Statement of Profit and Loss of the current year.

Given the significant level of judgement involved and the quantitative significance, we have determined this to be a key audit matter.

- Assessed the adequacy of disclosures in the financial statements in respect of both non-derivative and derivative financial instruments.

In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:

- Examined the implications of the new provisions on the tax position of the Company to assess the impact of adopting the new tax regime from the specified future financial year.
- Obtained budgets/ business plans, underlying the projections prepared by the Company
- Challenged key assumptions used in the projections based on business plans, historical data and trends, based on our knowledge of business.
- Assessed the recoverability of MAT credit entitlement (an item of deferred tax assets) against the forecast future taxable profits.
- Assessed the adequacy of related disclosures in the standalone financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are 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 and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 controls.
- obtain an understanding of internal 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 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 in the standalone financial statements made by the Management and Board of Directors.

- conclude on the appropriateness of the Management's and Board of Director's 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 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; and
- 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.

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 controls 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 auditors' 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, 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 purposes 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 specified under section 133 of the Act.
 - e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act; and
 - f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance

with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 31 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- Refer Note 38 to the standalone financial statements.
- iii. there have been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- iv. the disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8

November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limits laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore

Partner

Place: Delhi

Membership No.: 090075

Date: 4 June 2020

UDIN: 20090075AAAAAJ8563

Annexure A

to the Independent Auditors' report on the standalone financial statements of SRF Limited for the year ended 31 March 2020

Statement on matters specified in paragraphs 3 and 4 of the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).
- b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all fixed assets (property, plant and equipment) are verified, in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain assets have been physically verified by the Management during the current year. As informed to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed/ lease deed provided to us, we report that, the title deeds, comprising all the immovable properties (land and buildings) which are freehold/ leasehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land and building	Gross Block 31 March 2020 (₹ in crores)	Net Block 31 March 2020 (₹ in crores)	Remarks
Land at Gummudipoondi	1.21	1.21	Out of the Industrial freehold land measuring 32.41 acres at the Company's plant in Gummudipoondi, the Company does not have clear title to 2.43 acres.
Land at Bharuch, Dahej	108.55 (Carried cost)	108.55 (Carried cost)	The execution of lease deed of land in respect of 1,149,550 square meters of leasehold land allotted to the Company by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

- (ii) The inventories, except goods in transit, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and

186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.

- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) The Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for activities carried out by the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of

undisputed statutory dues including Provident fund, Employees' state insurance, Income-tax, Sales-tax, Goods and Services Tax ("GST"), Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues, as applicable, have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Sales-tax, GST, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues, as applicable, were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues in respect of Income-tax, Sales-tax, Service tax, Duty of custom, Duty of excise, GST and Value added tax, as applicable, which have not been deposited with the appropriate authorities on account of any dispute, except for the following:

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (₹ Crores)
Central Excise Laws	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1994-2015	15.81
		Upto Commissioner (Appeals)	1993-1997	7.63
Service Tax Laws	Service Tax	Upto Commissioner (Appeals)	2006-2010	0.13
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2008-2012	0.98
Customs Laws	Customs Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2012-2013	1.27
		Upto Commissioner (Appeals)	2002-2013	0.18
Sales Tax Laws	Sales Tax	Sales Tax Appellate Tribunal	1993-2017	3.05
		Upto Commissioner (Appeals)	1988-2016	2.32
Income Tax Laws	Income Tax	Supreme Court	AY 1989-1990	1.13
		High Court	AY 2000-2002	3.72
		Income Tax Appellate Tribunal (ITAT)	AY 2014-2015	0.11
		Dispute Resolution Panel (DRP)	AY 2016-2017	4.04
Others	Electricity Cess	High Court	2007-2014	0.06
Goods & Service tax Laws	Goods & Service tax	Upto Commissioner (Appeals)	2018-2019	0.05

The following matters, which have been excluded from the above table, have been decided in favour of the Company but the department has preferred appeals at higher levels:

Name of the Statute	Nature of the dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (₹ Crores)
Income Tax Laws	Income Tax	High Court	AY 2003-2004	1.83
Central Excise Laws	Excise Duty	High Court	1994-1995	1.18
		Upto Commissioner (Appeals)	1989-1995	2.24

*Amount as per demand orders, including interest and penalty wherever quantified in the Order.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers or to any financial institutions and dues to debenture holders. The Company did not have any loans or borrowings from government during the year.
- (ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loans have been applied by the Company during the year for the purposes for which they were raised. Further, the Company has not raised any money by way of initial public offer / further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under Section 42 of the Act during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order and provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore

Partner

Place: Delhi

Membership No.: 090075

Date: 4 June 2020

UDIN: 20090075AAAAAJ8563

Annexure B

to the Independent Auditors' report on the standalone financial statements of SRF Limited for the year ended 31 March 2020

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 Companies Act, 2013

[Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Opinion

We have audited the internal financial controls with reference to financial statements of SRF Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company, considering the essential components of internal controls 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 financial controls with reference to financial statements 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were established and maintained and whether 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to 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 controls with reference to financial statements include 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore

Partner

Place: Delhi

Membership No.: 090075

Date: 4 June 2020

UDIN: 20090075AAAAAJ8563

Balance Sheet

as at March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2	5,303.64	4,735.70
Right-of-use assets	37	227.58	-
Capital work-in-progress		345.88	692.07
Goodwill	3	0.62	1.41
Other intangible assets	4	116.46	108.86
Financial assets			
(i) Investments	5	87.76	83.71
(ii) Loans	6	43.89	34.05
(iii) Other financial assets	7	15.86	4.71
Non-current tax assets (net)	20	35.03	19.00
Other non-current assets	8	27.96	191.21
Total non - current assets		6,204.68	5,870.72
Current assets			
Inventories	9	1,110.32	1,099.11
Financial assets			
(i) Investments	5	198.50	100.49
(ii) Trade receivables	10	768.71	856.15
(iii) Cash and cash equivalents	11	98.26	162.80
(iv) Bank balances other than above	12	9.03	9.33
(v) Loans	6	8.41	7.33
(vi) Other financial assets	7	170.16	202.31
Other current assets	8	251.51	364.06
Total current assets		2,614.90	2,801.58
TOTAL ASSETS		8,819.58	8,672.30
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	58.50	58.50
Other equity	14	4,625.75	3,860.14
Total equity		4,684.25	3,918.64

Balance Sheet (Contd.)

as at March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	1,117.43	1,694.92
(ii) Lease liabilities	37	73.98	-
(iii) Other financial liabilities	19	22.87	-
Provisions	16	33.28	26.89
Deferred tax liabilities (net)	17	124.42	302.23
Other non-current liabilities	21	-	2.08
Total non - current liabilities		1,371.98	2,026.12
Current liabilities			
Financial liabilities			
(i) Borrowings	15	804.80	1,042.83
(ii) Lease liabilities	37	13.71	-
(iii) Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		30.36	18.24
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		927.08	1,073.91
(iv) Other financial liabilities	19	891.72	510.81
Other current liabilities	21	80.29	66.78
Provisions	16	5.64	5.14
Current tax liabilities (net)	20	9.75	9.83
Total current liabilities		2,763.35	2,727.54
Total Liabilities		4,135.33	4,753.66
TOTAL EQUITY AND LIABILITIES		8,819.58	8,672.30

Summary of significant accounting policies

1B

See accompanying notes to the standalone financial statements

2 to 41

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration no.

101248W / W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place : Delhi

Date : June 4, 2020

For and on behalf of the Board of Directors

Arun Bharat Ram

Chairman

DIN - 00694766

Place : Delhi

Rahul Jain

President & CFO

Place : Gurugram

Ashish Bharat Ram

Managing Director

DIN - 00671567

Place : Gurugram

Bharti Gupta Ramola

Director

DIN - 00356188

Place : Gurugram

Kartik Bharat Ram

Deputy Managing Director

DIN - 00008557

Place : Delhi

Rajat Lakhanpal

Vice President

(Corporate Compliance)

and Company Secretary

Place : Gurugram

Statement of Profit and Loss

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I Revenue from operations	22	6,330.84	6,205.59
II Other income	23	53.29	42.13
III Total Income (I + II)		6,384.13	6,247.72
IV Expenses			
Cost of materials consumed	24.1	3,198.85	3,437.30
Purchases of stock-in-trade	24.2	91.40	48.42
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.3	(95.74)	(67.48)
Employee benefits expense	25	487.08	413.83
Finance costs	26	182.11	173.78
Depreciation and amortisation expense	27	353.21	325.12
Other expenses	28	1,386.74	1,247.71
Total Expenses (IV)		5,603.65	5,578.68
V Profit before tax from continuing operations (III - IV)		780.48	669.04
VI Tax expense related to continuing operations	29		
Current tax		104.26	139.83
Deferred tax			
MAT credit entitlement		(36.73)	(87.11)
Others		(80.64)	114.80
Total tax expense related to continuing operations		(13.11)	167.52
VII Profit for the year from continuing operations (V - VI)		793.59	501.52
VIII Profit before tax from discontinued operations	40	241.82	24.07
IX Tax expense related to discontinued operations	29	61.23	8.41
X Profit for the year from discontinued operations (VIII - IX)		180.59	15.66
XI Total Profit for the year (VII + X)		974.18	517.18
XII Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Gain / (loss) of defined benefit obligation	14.2, 33.2	(8.19)	(1.78)
(ii) Income tax relating to items that will not be reclassified to profit or loss	14.2, 30	2.86	0.62

Statement of Profit and Loss (Contd.)

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
B (i) Items that will be reclassified to profit or loss			
- Effective portion of gain / (loss) on hedging instruments in a cash flow hedge	14.3	(164.79)	54.50
(ii) Income tax relating to items that will be reclassified to profit or loss	14.3, 30	57.58	(19.04)
Total other comprehensive income for the year, net of taxes (A(i+ii) + B(i+ii))		(112.54)	34.30
XIII Total comprehensive income for the year (XI + XII)		861.64	551.48
Basic and Diluted Earnings per equity share (in ₹)			
From continuing operations	36	138.06	87.28
From discontinued operations	36	31.42	2.73
From continuing and discontinued operations	36	169.48	90.01
Summary of significant accounting policies	1B		
See accompanying notes to the standalone financial statements	2 to 41		

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place : Delhi
Date : June 4, 2020

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
DIN - 00694766
Place : Delhi

Rahul Jain
President & CFO
Place : Gurugram

Ashish Bharat Ram
Managing Director
DIN - 00671567
Place : Gurugram

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557
Place : Delhi

Rajat Lakhanpal
Vice President
(Corporate Compliance)
and Company Secretary
Place : Gurugram

Cash Flow Statement

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax		
- Continuing Operations	780.48	669.04
- Discontinued Operations	241.82	24.07
Profit before tax including discontinued operations	1,022.30	693.11
Adjustments for:		
Finance costs	182.27	174.65
Interest income	(12.35)	(4.36)
Net gain on sale / discarding of property, plant and equipment	(12.76)	-
Net gain on financial assets measured at fair value through profit and loss	(9.38)	(11.93)
Credit impaired assets provided / written off	1.88	1.85
Amortisation of grant income	(2.64)	(12.44)
Depreciation and amortisation expense	353.62	328.04
Property, plant and equipment and inventory discarded / provided	11.12	1.95
Provision / liabilities no longer required written back	(2.82)	(4.99)
Amortisation of upfront payment for leasehold land	-	1.48
Net unrealised currency exchange fluctuation loss / (gains)	3.50	(11.03)
Profit on slump sale of business	(233.74)	-
Employee share based payment expense	0.97	0.64
Adjustments for (increase) / decrease in operating assets :-		
Trade receivables	89.75	(365.51)
Inventories	(44.54)	(272.28)
Loans (current)	(2.98)	3.59
Loans (non-current)	(9.84)	(3.64)
Other assets (current)	116.19	(35.88)
Other assets (non-current)	(2.57)	(22.33)
Adjustments for increase / (decrease) in operating liabilities :-		
Trade payables	(130.76)	287.29
Provisions	7.59	3.38
Other liabilities (non-current)	0.56	0.12
Other liabilities (current)	31.80	(6.70)
Cash generated from operations	1,357.17	745.01
Income taxes paid (net of refunds)	(140.76)	(150.23)
Net cash generated from operating activities	1,216.41	594.78
B CASH FLOW FROM INVESTING ACTIVITIES		
Net proceeds / (purchases) of mutual funds	(88.63)	33.15
Purchase of non-current investments	(4.05)	-
Interest received	13.11	3.47
Bank balances not considered as cash and cash equivalents	0.30	0.39
Proceeds from slump sale of business	315.77	-
Costs incurred on slump sale of business	(5.71)	-
Income tax paid on profit on slump sale of business	(40.84)	-
Payment for purchase of property, plant and equipment, capital work-in-progress and other intangible assets	(627.69)	(887.44)
Proceeds from disposal of property, plant and equipment	15.67	3.21
Net cash used in investing activities	(422.07)	(847.22)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	0.06
Proceeds from borrowings (Non-current)	156.59	798.88
Repayment of borrowings (Non-current)	(451.53)	(558.02)
Net proceeds / (repayment) from borrowings (Current)	(259.80)	385.52
Corporate dividend tax paid	(16.54)	(14.17)
Dividends on equity share capital paid	(80.32)	(69.41)
Repayment towards lease liability	(18.87)	-
Finance costs paid	(188.41)	(195.28)
Net cash generated from / (used in) financing activities	(858.88)	347.58
Net increase / (decrease) in cash and cash equivalents	(64.54)	95.14
Cash and cash equivalents at the beginning of the year	162.80	67.66
Cash and cash equivalents at the end of the year (Refer to note 11)	98.26	162.80

Notes:

Cash Flow Statement (Contd.)

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

- The cash flow statement has been prepared under indirect method as set out in Indian Accounting Standard-7 (Ind AS) on 'Statement of Cash Flows'.
- During the year, the Company paid in cash ₹ 12.00 Crores (Previous year: ₹ 10.38 Crores) towards corporate social responsibility (CSR) expenditure.
- For cash flow information of discontinued operations, refer note 40(b).
- The following table disclose changes in liabilities arising from financing activities, including both cash and non-cash changes:

Particulars	As at March 31, 2019	Cash flow from financing activities	Non-cash changes					As at March 31, 2020
			Upfront fees amortised	Exchange fluctuation changes #	Finance cost #	Interim dividend declared ^	Lease liability recognised	
Equity share capital	58.50	-	-	-	-	-	-	58.50
Non-current borrowings*	2,060.29	(294.94)	2.95	91.32	-	-	-	1,859.62
Current borrowings	1,042.83	(259.80)	-	21.77	-	-	-	804.80
Interest accrued	29.40	(188.41)	-	-	181.65	-	-	22.64
Lease liability	-	(18.87)	-	-	6.70	-	99.86	87.69
Dividend and taxes thereon	5.89	(96.86)	-	-	-	97.01	-	6.04
Total	3,196.91	(858.88)	2.95	113.09	188.35	97.01	99.86	2,839.29

Particulars	As at March 31, 2018	Cash flow from financing activities	Non-cash changes				As at March 31, 2019
			Upfront fees amortised	Exchange fluctuation changes #	Finance cost #	Interim dividend declared ^	
Equity share capital	58.44	0.06	-	-	-	-	58.50
Non-current borrowings*	1,817.09	240.86	3.26	(0.92)	-	-	2,060.29
Current borrowings	666.37	385.52	-	(9.06)	-	-	1,042.83
Interest accrued	21.93	(195.28)	-	-	202.75	-	29.40
Dividend and taxes thereon	6.32	(83.58)	-	-	-	83.15	5.89
	2,570.15	347.58	3.26	(9.98)	202.75	83.15	3,196.91

* including current maturity of long term debts

^ including taxes on dividend

including amount capitalised

See accompanying notes to the standalone financial statements

2 to 41

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration no.

101248W / W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place : Delhi

Date : June 4, 2020

For and on behalf of the Board of Directors

Arun Bharat Ram

Chairman

DIN - 00694766

Place : Delhi

Rahul Jain

President & CFO

Place : Gurugram

Ashish Bharat Ram

Managing Director

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Bharti Gupta Ramola

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DIN - 00356188

Place : Gurugram

Kartik Bharat Ram

Deputy Managing Director

DIN - 00008557

Place : Delhi

Rajat Lakhnpal

Vice President

(Corporate Compliance)
and Company Secretary

Place : Gurugram

Statement of Changes in Equity

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at March 31, 2018	58.44
Changes in equity share capital during the year	0.06
Balance at March 31, 2019	58.50
Changes in equity share capital during the year	-
Balance at March 31, 2020	58.50

(b) Other Equity

	Reserves and Surplus*					Items of other comprehensive income*		
	Capital reserve	General reserve	Capital redemption reserve	Debenture redemption reserve	Employee share based payment reserve	Retained earnings	Effective portion of cash flow hedge	Equity instrument through other comprehensive income
Balance at March 31, 2018	219.19	573.54	10.48	75.00	-	2,524.05	(6.81)	(4.22)
Profit for the year	-	-	-	-	-	517.18	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(1.16)	35.46	-
Total comprehensive income for the year	-	-	-	-	-	516.02	35.46	-
Payment of dividend (₹ 12 per share)	-	-	-	-	-	(68.98)	-	-
Tax on Dividend	-	-	-	-	-	(14.17)	-	-
Employee share based payment expense	-	-	-	-	0.58	-	-	-
Balance at March 31, 2019	219.19	573.54	10.48	75.00	0.58	2,956.92	28.65	(4.22)
Profit for the year	-	-	-	-	-	974.18	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(5.33)	(107.21)	-
Total comprehensive income for the year	-	-	-	-	-	968.85	(107.21)	-
Payment of dividend (₹ 14 per share)	-	-	-	-	-	(80.47)	-	-
Tax on Dividend	-	-	-	-	-	(16.54)	-	-
Employee share based payment expense	-	-	-	-	0.98	-	-	-
Balance at March 31, 2020	219.19	573.54	10.48	75.00	1.56	3,828.76	(78.56)	(4.22)

* Refer note 14

See accompanying notes to the standalone financial statements 2 to 41

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration no.

101248W / W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place : Delhi

Date : June 4, 2020

For and on behalf of the Board of Directors

Arun Bharat Ram

Chairman

DIN - 00694766

Place : Delhi

Rahul Jain

President & CFO

Place : Gurugram

Ashish Bharat Ram

Managing Director

DIN - 00671567

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Kartik Bharat Ram

Deputy Managing Director

DIN - 00008557

Place : Delhi

Rajat Lakhanpal

Vice President

(Corporate Compliance)

and Company Secretary

Place : Gurugram

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

1 Corporate Information, Significant Accounting Policies and Significant Accounting Judgements, Estimates and Assumptions

A Corporate Information

SRF Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's equity shares are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 and 237, Second Floor, Mayur Vihar Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110091. The Company's parent and ultimate holding company is KAMA Holdings Limited.

The principal activities of the Company are manufacturing, purchase and sale of technical textiles, chemicals, packaging films and other polymers.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on June 4, 2020.

B Significant Accounting Policies

1 Basis of Preparation

These standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provisions of the Act.

The standalone financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation
- Share-based payments

The standalone financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all values are rounded to the nearest crores, except when otherwise indicated.

The principal accounting policies are set out below.

2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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 identified twelve months as its operating cycle for the purpose of current / non current classification of assets and liabilities.

3 Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

All items of property, plant and equipment have been measured at fair value at the date of transition to Ind AS. The Company have opted such fair valuation as deemed cost at the transition date i.e. April 1, 2015.

Cost of acquisition or construction is inclusive of freight, duties, non-recoverable taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets, upto the date of commissioning of the assets.

Likewise, when a major inspection for faults is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then

they are accounted for as separate items of property, plant and equipment and depreciated accordingly.

Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Capital Work in Progress: Project under which assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the Company intends to use these for a period of more than 12 months.

4 Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation has been provided on the cost of assets less their residual values on straight line method on the basis of estimated useful life of assets determined by the Company which are different from the useful life as prescribed in Schedule II of the 2013 Act. The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. and are as under:

Roads	40-50 years
Buildings (including temporary structures)	5-60 years
Plant and equipment	2-40 years
Furniture and fixtures	15 years
Office equipment	3-20 years
Vehicles	4-5 years

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Freehold land is not depreciated.

Depreciation is calculated on a pro rata basis except assets costing upto ₹ 5,000 each, which are fully depreciated in the year of purchase.

An item of property, plant and equipment or any significant part initially recognised of such item 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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives considered are as follows:

Trademarks / Brand	10-30 years
Technical Knowhow	30-40 years
Software	3 years
Other intangibles	2.5-8 years

The Company has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

6 Research and development expenditure

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes.

Such development costs are capitalised if they can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use or sell the asset.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

7 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

8 Impairment of tangible and intangible assets other than goodwill

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an 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 groups of assets.

Impairment loss is recognised when the carrying amount of an asset or CGU exceeds its recoverable amount. In such cases, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 5 years. For longer periods, a long-term growth rate is calculated and applied

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

to project future cash flows after 5th year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

9 Leasing

Effective April 1, 2019, the Company has applied Ind AS 116 using modified retrospective approach and, therefore, the comparative information has not been restated and continues to be reported under Ind AS 17. The details of accounting policies under Ind AS 17 are disclosed separately, if they are different from those under Ind AS 116 and the impact of changes is disclosed in note 37.

Policy applicable from April 1, 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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 assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

This policy is applicable to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as lessee

The Company accounts for assets taken under lease arrangement in the following manner:

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The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the basis of remaining lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is

recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before April 1, 2019

In the comparative period, a lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

Assets held under finance lease are initially recognised as assets at the fair value at the inception of lease or at the present value of the minimum lease payments, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases

Lease rental expenses from operating leases is generally recognised on a straight line basis over the term of the relevant lease. Where the rentals

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are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

10 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs incurred for the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

In case of a specific borrowing taken for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised shall be the actual borrowing costs incurred during the period less any interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset.

In case funds are borrowed generally and such funds are used for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised are calculated by applying the weighted average capitalisation rate on general borrowings outstanding during the period, to the expenditures incurred on the qualifying asset.

If any specific borrowing remains outstanding after the related asset is ready for its intended use, that borrowing is considered part of the funds that are borrowed generally for calculating the capitalisation rate.

11 Foreign Currencies

Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

(i) Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to exchange differences arising from cash flow hedges to the extent that the hedges are effective and those covered below.

(ii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016:

Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance useful life of the assets.

(iii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016:

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The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is treated in accordance with Ind AS 21 / Ind AS 109.

12 Inventories

Inventories are valued at cost or net realisable value, whichever is lower. The basis of determining the cost for various categories of inventory are as follows:

- (a) Raw materials, packing materials and stores and spares (including fuel) - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. 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.
- (b) Traded goods, Stock in progress and finished goods- Direct cost plus appropriate share of overheads and excise duty, wherever applicable.
- (c) By products - At estimated realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

13 Provisions and Contingent Liabilities

Provisions

The Company recognises a provision when there is a present obligation (legal or constructive) as a result of past events and it is more likely than not that an outflow of resources would be required to settle the obligation and a reliable estimate can be made.

When the Company expects some or all of a provision to be reimbursed, for example, under

an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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 recognised as a finance cost.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

14 Revenue recognition

a) Sale of goods

Revenue from sale of products is recognised upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers. Service income is recognised as and when the underlying services are performed. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

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Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as goods and services tax and applicable discounts and allowances.

Any fees including upfront fees received in relation to contract manufacturing arrangements is recognised on straight line basis over the period over which the Company satisfies the underlying performance obligations. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash as per contractual terms. Advance from customers ("contract liability") is recognised when the Company has received consideration from the customer before it delivers the goods.

b) Interest and dividend income

Interest income is recognised when it is probable that the economic benefits will flow to the Company using the effective interest rate and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

c) Export Incentives

The benefit accrued under the Duty Drawback scheme and other schemes as per the Export and Import Policy in respect of exports made

under the said Schemes is included under the head "Revenue from Operations" under 'Export and other Incentives'.

15 Taxation

Income tax expense represents the sum of current tax and deferred tax.

a) Current tax

Current 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, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e. in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

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Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. 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 relating to items recognised outside profit or loss is recognised outside profit or loss i.e. in other comprehensive income or in equity.

Deferred tax assets/liabilities are not recognised for below mentioned temporary differences:

- (i) At the time of initial recognition of goodwill;
- (ii) Initial recognition of assets or liabilities (other than in a business combination) at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT asset is recognised in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

The Company considers whether it is probable that a taxation authority will accept an uncertain

tax treatment. If the Company concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Company determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. However, if the Company concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the Company reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

16 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

A government grant that becomes receivable as compensation for expenses or losses incurred in a previous period. Such a grant is recognised in profit or loss of the period in which it becomes receivable.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to assets are presented in the balance sheet as deferred income and is recognised in profit or loss on a systematic basis over the expected useful life of the related assets.

17 Employee benefits

Short-term employee benefits

Wages and salaries including non monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the related services are rendered and measured at the undiscounted amount expected to be paid.

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Defined contribution plans

Provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund and Employees' State Insurance Corporation are defined contribution schemes. Contributions to such schemes are charged to the statement of profit and loss in the year when employees have rendered services entitling them to contributions. The Company has no obligation, other than the contribution payable to such schemes.

Defined benefit plans

The Company has defined benefit gratuity plan and provident fund for certain category of employees administered through a recognised provident fund trust. Provision for gratuity and provident fund for certain category of employees administered through a recognised provident fund trust are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss, other than remeasurements. The cost of providing these benefits is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability and return on plan assets), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Other long-term employee benefits

The Company also has other long-term employee benefits in the nature of compensated absences and long term retention pay. Provision for compensated absences and long term retention pay are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss. The cost of providing these benefits is determined using the projected unit credit method.

Share based payments

Equity settled share based payments to employees under SRF Long Term Share Based Incentive Plan (SRF LTIP) are measured at the fair value (which is the market price less exercise price) of the equity instruments on the grant date. This compensation expense is amortised over the remaining tenure over which the employees renders their service on a straight line basis.

18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

20 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.

A) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

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Subsequent measurement

For purposes of subsequent measurement, financial assets of the Company are classified in three categories:

- a) At amortised cost
- b) At fair value through profit and loss (FVTPL)
- c) At fair value through other comprehensive income (FVTOCI)

Financial Asset is measured at amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets not classified as measured at amortised cost or FVTOCI as are measured at FVTPL. Financial assets included within

the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value.

Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Investments representing equity interest in subsidiaries are carried at cost less any provision for impairment.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset

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or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than

trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

B) Financial liabilities and Equity instruments

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

The Company's financial liabilities includes borrowings, trade and other payables including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

Borrowings

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption/repayment amount is recognised in profit and loss over the period of the borrowings using the effective interest rate method.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid.

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, to realise the assets and settle the liabilities simultaneously.

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Financial guarantee contracts

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 entity fails to make a payment when due in accordance with the terms of a 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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Equity instrument

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

interest rate swaps) or non-derivative financial assets / liabilities to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit and loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.
- b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in

21 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments (such as forward currency contracts,

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offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in statement of profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the statement of profit or loss.

The Company also designates non derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for the hedge of foreign currency risk associated with highly probable forecasted transactions and, accordingly, applies cash flow hedge accounting for such relationships.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in other comprehensive income remains separately in other equity until the forecast transaction occurs or the foreign currency firm commitment is met.

22 Fair value measurement

The Company measures some of its financial instruments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

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The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- b) Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3 — Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

23 Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

24 Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

25 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The appropriate level of management

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must be committed to a plan to sell, an active programme to locate a buyer and complete the plan has been initiated, the sale is considered highly probable and is expected within one year from the date of classification.

Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other assets and liabilities in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale, and:

- a) Represents a separate major line of business or geographical area of operations,
- b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- c) Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit and loss.

26 Applicability of New and Revised Ind AS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

C Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the

application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

- Leasing arrangement (classification and accounting) – Note 1.B.9
- Financial instruments - Note 1.B.20
- Fair value measurement – Note 1.B.22
- Assessment of useful life of property, plant and equipment and intangible asset – Note 1.B.4
- Recognition and estimation of tax expense including deferred tax– Note 1.B.15
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 1.B.17
- Estimated impairment of financial assets and non-financial assets – Note 1.B.8
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 1.B.13

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

2 Property, Plant and Equipment

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Cost								
Balance at March 31, 2018	317.55	50.37	619.80	3839.62	22.18	39.95	35.65	4925.12
Additions / adjustments	-	3.08	50.22	754.38	1.88	11.65	8.91	830.12
Disposals	-	-	(0.05)	(4.84)	(0.02)	(0.51)	(5.22)	(10.64)
Balance at March 31, 2019	317.55	53.45	669.97	4589.16	24.04	51.09	39.34	5744.60
Additions / adjustments	-	11.02	33.02	879.10	2.41	8.02	9.04	942.61
Disposals	(0.37)	(0.99)	(16.03)	(38.03)	(0.65)	(0.97)	(7.29)	(64.33)
Balance at March 31, 2020	317.18	63.48	686.96	5430.23	25.80	58.14	41.09	6622.88
Accumulated depreciation								
Balance at March 31, 2018	-	3.18	48.16	609.43	5.27	17.13	13.66	696.83
Depreciation expenses								
- Continuing operations	-	1.24	19.11	278.38	2.11	7.73	7.09	315.66
- Discontinued operations	-	0.01	0.74	1.61	0.06	0.13	0.14	2.69
Disposals	-	-	(0.02)	(2.60)	(0.01)	(0.37)	(3.28)	(6.28)
Balance at March 31, 2019	-	4.43	67.99	886.82	7.43	24.62	17.61	1008.90
Depreciation expenses								
- Continuing operations	-	1.94	19.36	291.03	2.02	7.04	7.60	328.99
- Discontinued operations	-	-	0.12	0.21	0.01	0.02	0.02	0.38
Disposals	-	(0.06)	(2.44)	(11.25)	(0.16)	(0.64)	(4.48)	(19.03)
Balance at March 31, 2020	-	6.31	85.03	1166.81	9.30	31.04	20.75	1319.24
Carrying Amount								
Balance at March 31, 2018	317.55	47.19	571.64	3230.19	16.91	22.82	21.99	4228.29
Additions / adjustments	-	3.08	50.22	754.38	1.88	11.65	8.91	830.12
Disposals	-	-	(0.03)	(2.24)	(0.01)	(0.14)	(1.94)	(4.36)
Depreciation expenses								
- Continuing operations	-	(1.24)	(19.11)	(278.38)	(2.11)	(7.73)	(7.09)	(315.66)
- Discontinued operations	-	(0.01)	(0.74)	(1.61)	(0.06)	(0.13)	(0.14)	(2.69)
Balance at March 31, 2019	317.55	49.02	601.98	3702.34	16.61	26.47	21.73	4735.70
Additions / adjustments	-	11.02	33.02	879.10	2.41	8.02	9.04	942.61
Disposals	(0.37)	(0.93)	(13.59)	(26.78)	(0.49)	(0.33)	(2.81)	(45.30)
Depreciation expenses								
- Continuing operations	-	(1.94)	(19.36)	(291.03)	(2.02)	(7.04)	(7.60)	(328.99)
- Discontinued operations	-	-	(0.12)	(0.21)	(0.01)	(0.02)	(0.02)	(0.38)
Balance at March 31, 2020	317.18	57.17	601.93	4263.42	16.50	27.10	20.34	5303.64

Notes:

- Borrowing cost capitalised during the year ₹ 13.80 Crores (Previous year: ₹ 31.36 Crores) with a capitalisation rate ranging from 4.25% to 9.45% (Previous year: 7.24% to 8.80%).
- Out of the Industrial Freehold land measuring 32.41 acres at the Company's plant in Gummidipoondi, the Company does not have clear title to 2.43 acres.
- Capital expenditure incurred during the year includes ₹ 33.09 Crores (Previous year: ₹ 4.06 Crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 41 (a) below.
- Refer to note 15.1 for information on PPE pledged as security by the Company.
- Refer to note 41 (c) for additions / adjustments on account of exchange difference during the year.
- The Company accounts for all capitalisation of property, plant and equipment through capital work in progress and, therefore, the movement in capital work-in-progress is the difference between closing and opening balance of capital work-in-progress as adjusted in additions to property, plant and equipment and intangible assets.
- Disposals include property, plant and equipment of discontinued operations. Refer note 40 below.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

3. Goodwill

Cost	
Balance at March 31, 2018	1.41
Additions	-
Disposals	-
Balance at March 31, 2019	1.41
Additions	-
Disposals	(0.79)
Balance at March 31, 2020	0.62

	As at March 31, 2020	As at March 31, 2019
Engineering plastics units	-	0.79
Industrial yarn unit	0.62	0.62
	0.62	1.41

The Company has allocated goodwill to the above mentioned cash generating units and determined recoverable amount of this allocated goodwill using cash flow projections based on financial budget as approved by the directors of the Company.

Based on the above impairment testing no impairment losses have been recognised in the current year (Previous year: Nil).

Disposals pertain to goodwill of discontinued operations. Refer note 40 below.

4. Other Intangible Assets

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at March 31, 2018	75.25	44.53	24.54	18.74	163.06
Additions / adjustments	1.95	1.14	2.17	0.56	5.82
Disposals	-	-	-	-	-
Balance at March 31, 2019	77.20	45.67	26.71	19.30	168.88
Additions / adjustments	0.33	10.51	4.39	0.09	15.32
Disposals	-	(0.99)	(0.35)	-	(1.34)
Balance at March 31, 2020	77.53	55.19	30.75	19.39	182.86
Accumulated amortisation					
Balance at March 31, 2018	11.03	3.71	17.19	18.40	50.33
Amortisation expenses					
- Continuing operations	3.12	1.32	5.02	-	9.46
- Discontinued operations	-	0.20	0.03	-	0.23
Disposals	-	-	-	-	-
Balance at March 31, 2019	14.15	5.23	22.24	18.40	60.02

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Amortisation expenses					
- Continuing operations	2.61	1.71	3.06	0.10	7.48
- Discontinued operations	-	-	0.02	-	0.02
Disposals	-	(0.99)	(0.13)	-	(1.12)
Balance at March 31, 2020	16.76	5.95	25.19	18.50	66.40
Carrying Amount					
Balance at March 31, 2018	64.22	40.82	7.35	0.34	112.73
Additions / adjustments	1.95	1.14	2.17	0.56	5.82
Disposals	-	-	-	-	-
Amortisation expenses					
- Continuing operations	(3.12)	(1.32)	(5.02)	-	(9.46)
- Discontinued operations	-	(0.20)	(0.03)	-	(0.23)
Balance at March 31, 2019	63.05	40.44	4.47	0.90	108.86
Additions / adjustments	0.33	10.51	4.39	0.09	15.32
Disposals	-	-	(0.22)	-	(0.22)
Amortisation expenses					
- Continuing operations	(2.61)	(1.71)	(3.06)	(0.10)	(7.48)
- Discontinued operations	-	-	(0.02)	-	(0.02)
Balance at March 31, 2020	60.77	49.24	5.56	0.89	116.46

Notes:

- Refer note 41 (c) for additions / adjustments on account of exchange difference during the year.
- Disposals pertain to intangible assets of discontinued operations. Refer note 40 below.

5. Investments

	As at March 31, 2020	As at March 31, 2019
Non-current		
Investment in equity instruments		
Subsidiary companies	83.60	83.60
Others	4.16	0.11
	87.76	83.71
Aggregate book value of unquoted investments	87.76	83.71
Aggregate amount of impairment in value of investments	4.34	4.34
Current		
Investment in mutual funds	198.50	100.49
	198.50	100.49
Aggregate book value and market value of unquoted investments	198.50	100.49

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

5.1 Investment in subsidiaries (at cost)

	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of SRF Holiday Home Limited (A wholly owned subsidiary)	40,00,000	4.00	40,00,000	4.00
Equity shares of Euro 100 each fully paid up of SRF Global BV (A wholly owned subsidiary)	1,28,920	79.60	1,28,920	79.60
Contribution in SRF Employees Welfare Trust	-	*	-	*
		83.60		83.60

* Amount in absolute ₹ 35,000 (Previous year: ₹ 35,000)

5.2 Other equity instruments (at fair value through other comprehensive income)

	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	42,21,535	4.22	42,21,535	4.22
Less: Impairment in value of investment		(4.22)		(4.22)
Equity shares of ₹ 10 each fully paid up of Vaayu Renewable Energy (Tapti) Private Limited	50,000	0.05	50,000	0.05
Equity Shares of ₹ 10 each fully paid up of Suryadev Alloys & Power Private Limited	13,54,000	4.11	4,000	0.06
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	6,70,000	0.12	6,70,000	0.12
Less: Impairment in value of investment		(0.12)		(0.12)
		4.16		0.11

5.3 Investment in mutual funds (at fair value through profit and loss)

	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Unquoted investments (Current)				
ICICI Prudential P1543 Saving Fund-Growth Plan	36,12,365	108.44	36,12,365	100.49
ICICI Prudential P3223 Overnight Fund-Growth Plan	27,93,962	30.06	-	-
UTI Overnight Fund-Growth Plan	2,21,205	60.00	-	-
		198.50		100.49

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

6. Loans

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Non- current		
Loans to employees	9.96	7.25
Security deposits		
Related parties (Refer note 32)	3.56	3.70
Other than related parties	30.37	23.10
Others		
Credit impaired	-	0.07
Less : Provision for credit impaired loans	-	(0.07)
	43.89	34.05
Current		
Loans to employees	6.36	5.56
Security deposits		
Other than related parties	2.05	1.77
Others		
Credit impaired	2.74	2.74
Less : Provision for credit impaired loans	(2.74)	(2.74)
	8.41	7.33

7. Other Financial Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	-	1.87
- Interest rate swaps used for hedging	-	2.84
Other financial assets carried at amortised cost		
- Government grants and claims recoverable	15.86	-
	15.86	4.71
Current		
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	-	3.40
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	-	25.26
- Interest rate swaps used for hedging	-	0.88
Other financial assets carried at amortised cost		
- Contract assets (Refer note 39)	-	25.52
- Recoverable from related parties	-	1.95
- Insurance claim recoverable	5.79	17.22
- Government grants and claims recoverable	163.84	126.79
- Others	0.53	1.29
	170.16	202.31

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

8. Other Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Capital advances	15.16	28.74
Prepaid expenses	0.26	0.50
CENVAT/ Service tax/ Goods and Services Tax/ Sales tax recoverable	12.32	10.79
Prepaid lease*	-	134.04
Claims recoverable under Post EPCG scheme and others	0.22	17.14
	27.96	191.21
Current		
Prepaid expenses	9.92	14.65
CENVAT/ Service tax/ Goods and Services tax/ Sales tax recoverable	119.56	264.70
Export incentives recoverable	63.67	42.40
Deposits with customs and excise authorities	8.13	12.57
Advance to suppliers	49.50	26.68
Prepaid lease*	-	1.73
Others	0.73	1.33
	251.51	364.06

*Amount of prepaid lease has been reclassified to right-of-use assets in accordance with Ind AS 116 'Leases'. Also refer note 37.

9. Inventories

(Valued at lower of cost and net realisable value)

	As at March 31, 2020	As at March 31, 2019
Raw material (including packing material)	465.59	558.02
Stock in progress	152.85	134.09
Finished goods	251.88	179.81
Stores and spares (including fuel)	238.27	224.37
Traded goods	1.73	2.82
	1,110.32	1,099.11
Goods-in-transit included above :		
Raw material (including packing material)	174.54	202.58
Stock in progress	-	0.09
Finished goods	29.48	35.16
Stores and spares (including fuel)	2.59	1.39
Traded goods	0.08	0.11
	206.69	239.33

Notes:

- The cost of inventories recognised as an expense includes ₹ 8.58 Crores (Previous year: ₹ 3.45 Crores) in respect of write-downs of inventory to net realisable value.
- Refer Note 15.1 for information on inventories pledged as security by the Company.
- The method of valuation of inventories has been stated in note 1.B.12

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

10. Trade Receivables

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	768.71	856.15
Unsecured, credit impaired	2.46	1.64
Less: Provision for credit impaired receivables	(2.46)	(1.64)
	768.71	856.15

Notes:

(i) The credit period generally allowed on sales varies, on a case to case basis, and from business to business and is based on market conditions. Maximum credit period allowed is upto 120 days.

(ii) Age of receivables:

	As at March 31, 2020	As at March 31, 2019
Within the credit period	573.84	691.94
1 to 180 days past due	182.75	161.03
More than 180 days past due	14.58	4.82
	771.17	857.79

(iii) The Company has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the Company in the receivables as identified. Receivables sold as on March 31, 2020 are of ₹ 467.60 Crores (Previous year: ₹ 315.41 Crores). The Company has derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the Company.

(iv) No customer represents more than 10% (Previous year: Nil) of the total balances of trade receivables.

(v) Refer Note 15.1 for information on trade receivables pledged as security by the Company.

11. Cash and Cash Equivalents

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
Current accounts	87.97	113.84
Exchange earners foreign currency (EEFC) accounts	9.54	48.48
Cash on hand	0.75	0.48
	98.26	162.80

The disclosures regarding details of specified bank notes held and transacted during the period November 8, 2016 to December 31, 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2020.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

12. Bank Balances other than above

	As at March 31, 2020	As at March 31, 2019
Earmarked balances		
- Margin money	2.89	3.44
- Unclaimed dividend accounts	6.04	5.89
Other deposit accounts		
- Deposit accounts with maturity beyond three months upto twelve months	0.10	-
	9.03	9.33

13. Share Capital

	As at March 31, 2020	As at March 31, 2019
Authorised share capital:		
120,000,000 (Previous Year - 120,000,000) Equity shares of ₹ 10 each	120.00	120.00
1,000,000 (Previous Year - 1,000,000) Preference shares of ₹ 100 each	10.00	10.00
1,200,000 (Previous Year - 1,200,000) Cumulative Preference shares of ₹ 50 each	6.00	6.00
20,000,000 (Previous Year - 20,000,000) Cumulative Preference shares of ₹ 100 each	200.00	200.00
	336.00	336.00
Issued share capital:		
61,537,255 (Previous Year - 61,537,255) Equity Shares of ₹ 10 each	61.54	61.54
Subscribed capital:		
57,480,500 (Previous Year - 57,480,500) Equity Shares of ₹ 10 each fully paid up	57.48	57.48
Add: Forfeited shares - Amount originally paid up	1.02	1.02
	58.50	58.50

13.1 Fully paid equity shares

	Number of shares	Amount
Balance at March 31, 2018	5,74,20,500	57.42
Add : Movement during the year (Refer note 34)	60,000	0.06
Balance at March 31, 2019	5,74,80,500	57.48
Add : Movement during the year	-	-
Balance at March 31, 2020	5,74,80,500	57.48

The Company has bought back Nil equity shares in aggregate in the last five financial years.

Terms/ rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

During the year ended March 31, 2020, the amount of interim dividend recognised as distributions to equity shareholders was ₹ 14 per share (Previous year: ₹ 12 per share).

In the event of liquidation of the Company, the holders of 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.

13.2 Details of shares held by the holding company

	Number of fully paid ordinary shares
As at March 31, 2020	
KAMA Holdings Limited, the Holding Company	3,00,49,000
As at March 31, 2019	
KAMA Holdings Limited, the Holding Company	3,00,49,000

13.3 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid equity shares				
KAMA Holdings Limited	3,00,49,000	52.28%	3,00,49,000	52.28%
Amansa Holding Private Limited	41,78,636	7.27%	44,42,241	7.73%

14. Other Equity

	As at March 31, 2020	As at March 31, 2019
General reserve	573.54	573.54
Retained earnings	3,828.76	2,956.92
Cash flow hedging reserve	(78.56)	28.65
Capital redemption reserve	10.48	10.48
Capital reserve	219.19	219.19
Debenture redemption reserve	75.00	75.00
Employee share based payment reserve	1.56	0.58
Reserve for equity instruments through other comprehensive income	(4.22)	(4.22)
	4,625.75	3,860.14

14.1 General Reserve

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	573.54	573.54
Increase / (decrease) during the year	-	-
Balance at end of year	573.54	573.54

The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. Items included in general reserve will not be reclassified subsequently to profit and loss.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

14.2 Retained Earnings

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	2,956.92	2,524.05
Profit for the year	974.18	517.18
Other comprehensive income arising from remeasurement of defined benefit obligation *	(5.33)	(1.16)
Payment of dividend on equity shares	(80.47)	(68.98)
Corporate tax on dividend	(16.54)	(14.17)
Balance at end of year	3,828.76	2,956.92

The amount that can be distributed as dividend by the Company to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013.

*net of income tax of ₹ 2.86 Crores (Previous year: ₹ 0.62 Crore)

14.3 Cash Flow Hedging Reserve

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	28.65	(6.81)
Recognised / (released) during the year	(164.79)	54.50
Income tax related to above	57.58	(19.04)
Balance at end of year	(78.56)	28.65

The Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

14.4 Capital Redemption Reserve

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	10.48	10.48
Increase / (decrease) during the year	-	-
Balance at end of year	10.48	10.48

Capital Redemption Reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. The reserve is utilised in accordance with the provisions of the Act.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

14.5 Capital Reserve

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	219.19	219.19
Increase / (decrease) during the year	-	-
Balance at end of year	219.19	219.19

Capital reserve represents amounts received pursuant to Montreal Protocol Phaseout Programme of refrigerant gases.

14.6 Debenture Redemption Reserve

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	75.00	75.00
Transfer from retained earnings	-	-
Transfer to general reserve	-	-
Balance at end of year	75.00	75.00

The Company has issued non-convertible debentures. In prior years, the Company has created debenture redemption reserve out of the profits of the Company available for payment of dividend.

14.7 Employee Share Based Payment Reserve

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	0.58	-
Increase / (decrease) during the year	0.98	0.58
Balance at end of year	1.56	0.58

The Company has allotted equity shares to certain employees under an employee share purchase scheme. The employee share based payment reserve is used to recognise the value of equity settled share based payments provided to such employees as part of their remuneration. Refer note 34 for further details of the scheme.

14.8 Reserve for equity instruments through other comprehensive income

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	(4.22)	(4.22)
Net fair value gain on investment in equity instruments at FVTOCI	-	-
Balance at end of year	(4.22)	(4.22)

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.

15. Borrowings

	As at March 31, 2020	As at March 31, 2019
Non-current		
Secured		
3,000 Nos., 7.33% (2019: 3,000 Nos., 7.33%), listed, secured redeemable non-convertible debentures of ₹ 10 lakhs each* (Refer note 15.1.1)	299.97	299.95
Term Loans from banks* (Refer note 15.1.2)	1,338.87	1,522.05
Term Loans from others* (Refer note 15.1.3)	220.78	238.29
Less: Current maturities of long-term borrowings* (Refer note 19)	(742.19)	(365.37)
	1,117.43	1,694.92

* Above amount of borrowings are net of upfront fees paid ₹ 5.06 Crores (Previous year: ₹ 8.01 Crores)

Current		
Secured		
Cash credits from banks (Refer note 15.1.4.(i))	-	0.36
Term loans from banks (Refer note 15.1.4.(ii))	244.45	335.00
	244.45	335.36
Unsecured		
Term loans from banks#	560.35	707.47
	560.35	707.47
	804.80	1,042.83

Includes ₹ 200.00 crores (Previous year: ₹ 400.00 crores) for Commercial Paper issued by the Company. The maximum amount due during the year is ₹ 400.00 Crores (Previous year: ₹ 400.00 Crores)

There have been no defaults in repayment of principal and interest on borrowings during the reporting periods.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

15.1 Details of security of the secured loans:

Details of Loan		As at March 31, 2020*	As at March 31, 2019*	Security
1	3,000 (Previous Year 3000), 7.33%, Listed, Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each *	300.00	300.00	Debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralmalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur in the State of Uttarakhand (other than moveable assets of Laminated Fabrics Business) and Dahej in the State of Gujarat (excluding certain assets) and an equitable mortgage of Company's immovable properties, both present and future, situated at Viralmalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand. **
Terms and conditions				
a)	Redeemable at face value in one single installment at the end of 3rd year from the date of allotment.			
b)	Coupon is payable annually on 30th June every year.			
Moveable property				
2	(i) Term loan from Banks *	1,343.02	1,494.21	(a)(i) Out of the loans as at 2(i), loans aggregating to ₹ 1154.12 Crores (Previous Year – ₹ 1321.47 Crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralmalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets)
				(a)(ii) Out of the loans as at 2(i), loans aggregating to ₹ 188.90 Crores (Previous Year – ₹ 172.74 Crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralmalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets)

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for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Details of Loan	As at March 31, 2020#	As at March 31, 2019#	Security
			Immoveable property
			(b)(i) Out of the loans as at 2(i) loans aggregating to ₹ 1343.02 Crores (Previous Year – ₹ 928.73 Crores) are secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhnad
			(b)(ii) Out of the loans as at 2(b)(i) loans aggregating to ₹ 544.56 Crores (Previous Year – ₹ 882.24 Crores) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
			(b)(iii) Out of the loans as at 2(b)(i) loans aggregating to ₹ 75.56 Crores (Previous Year – ₹ 170.87 Crores) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).
			(b) (iv) Out of the loans as at 2(i), the term loans aggregating to:
			(a) ₹ 565.48 Crores was in the process of being additionally secured by equitable mortgage of immoveable properties at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhnad in the previous year. Charge against these assets has been created in the current year.
			(b) ₹ 43.50 Crores (Previous Year – ₹ 46.50 Crores) is in the process of being additionally secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
(ii) Term loans from banks	-	34.55	Term loans from banks aggregating to Nil (Previous year – ₹ 34.55 Crores) are secured by hypothecation of Company's certain moveable assets situated at Dahej in the State of Gujarat.
3 (i) Term loans from others	221.66	239.54	Loan of ₹ 221.66 Crores (Previous Year – ₹ 239.54 Crores) is secured by the hypothecation and equitable mortgage of Company's moveable and immoveable properties at Dhar in the State of Madhya Pradesh.
4 (i) Cash credit/working capital demand loans	-	0.36	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai (other than current assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh and Kashipur (other than current assets of Laminated Fabrics Business) in the State of Uttarakhnad.
(ii) Term loan from banks	244.45	335.00	

*Such hypothecation and equitable mortgage as at 1 and 2 rank pari-passu between term loans from banks / others (save and except hypothecation of certain moveable assets at Dahej in the State of Gujarat in favour of a bank as at 2(ii) above) in the previous year.

**Loans representing previous year figures were also secured by the moveable assets at Panthnagar, Uttarakhnad, moveable assets of Coated Fabrics at Viralimalai, Tamil Nadu and moveable assets of Laminated Fabrics at Kashipur, Uttarakhnad.

#Gross of upfront fees paid ₹ 5.06 Crores (Previous year : ₹ 8.01 Crores)

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for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

15.2 Terms of Loans

As at March 31, 2020

Non Current Borrowings

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2021	Up to March 31, 2022	Up to March 31, 2023	From 2023 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	7.33%	300.00	-	-	-
Rupee term loans	Half yearly payments	Floating rate loan at 9.05%	5.00	6.00	32.50	-
	Quarterly payments	Floating rate loan at 7.40%	16.44	16.44	8.22	-
	Yearly payments	Floating rate loan ranging from 7.65% to 8.25%	106.00	104.00	1.00	1.00
Foreign currency term loans	Quarterly	Fixed Rate of 0.94% and floating rate of Libor plus spread ranging from 0.59% to 0.85% and Euribor plus a spread of 1.10%	201.12	268.16	246.87	239.70
	Half yearly instalments	Libor plus interest rate spread ranging from 1.80 % to 1.85%	115.85	40.29	40.29	100.80
	Payable in one instalment on maturity	Fixed Rate of 6.65%	-	-	15.00	-
			744.41	434.89	343.88	341.50

Amounts mentioned above are gross of upfront fees paid of ₹ 5.06 Crores.

Current Borrowings

Short term borrowings are either payable in one installment within one year or repayable on demand. For short term borrowings in foreign currency, interest rates range from Libor + 43 bps to Libor + 80 bps. For rupee denominated short term loans taken during the year interest rate is at 5.43% to 10.05%.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

As at March 31, 2019

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2020	Up to March 31, 2021	Up to March 31, 2022	From 2022 to 2026
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	7.33%	-	300.00	-	-
	Half yearly payments	8.80% to 11.45%	4.97	5.00	6.00	32.50
	Quarterly payments	8.42%	25.05	49.80	49.80	24.90
	Yearly payments	8.60% to 8.90%	8.00	106.00	104.00	2.00
Foreign currency term loans	Quarterly	Fixed rate of 0.94% and floating rate of Libor plus spread ranging from 0.59% to 0.85%	-	162.89	217.18	353.31
	Half yearly instalments	Libor plus spread ranging from 1.30% to 1.85%	171.20	105.94	36.84	129.01
	Payable in one instalment on maturity	Fixed rate of 0.05% and floating rate of Libor plus spread of 1.30%	158.91	-	-	15.00
			368.13	729.63	413.82	556.72

Amounts mentioned above are gross of upfront fees paid of ₹ 8.01 Crores.

Current Borrowings

Short term borrowings are either payable in one installment within one year or repayable on demand. For short term borrowings in foreign currency, interest rates range from Euribor + 15 bps to Euribor + 18 bps and from Libor to Libor + 25 bps. For rupee denominated short term loans taken during the year interest rate is at 6.58% to 9.30%.

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(All amounts in ₹ Crores, unless otherwise stated)

Terms of repayment

- 1) Redeemable non convertible debenture of ₹ 300 Crores are repayable in one bullet instalment in June 2020 (Previous year: ₹ 300 Crores are repayable in one bullet instalment in June 2020).
- 2) Rupee term loans of ₹ 1.97 Crores was repaid in current year (Previous year: ₹ 1.97 Crores repayable in 1 half yearly instalment in September 2019).
- 3) Rupee term loans of ₹ 43.50 Crores are repayable in 5 half yearly instalments from August 2020 (Previous year: ₹ 46.50 Crores repayable in 7 half yearly instalments from August 2019).
- 4) Rupee term loans of ₹ 41.10 Crores are repayable in 10 quarterly instalments from June 2020 (Previous year: ₹ 149.55 Crores repayable in 14 quarterly instalments from June 2019).
- 5) Rupee term loans of ₹ 200.00 Crores are repayable in 2 annual instalments from August 2020 (Previous year: ₹ 200.00 Crores repayable in 2 annual instalments from August 2020).
- 6) Rupee term loans of ₹ 12.00 Crores are repayable in 4 annual instalments from December 2020 (Previous year: ₹ 20.00 Crores repayable in 5 annual instalments from December 2019).
- 7) Foreign currency term loan of ₹ 188.90 Crores are repayable in 8 quarterly instalments from September 2020 (Previous year: ₹ 172.74 Crores repayable in 8 quarterly instalments from September 2020).
- 8) Foreign currency term loan of ₹ 412.90 Crores are repayable in 19 quarterly instalments from August 2020 (Previous year: ₹ 387.90 Crores repayable in 19 quarterly instalments from August 2020).
- 9) Foreign currency term loan of ₹ 188.90 Crores are repayable in 14 quarterly instalments from July 2020 (Previous year: ₹ 172.74 Crores repayable in 14 quarterly instalments from July 2020).
- 10) Foreign currency term loan of ₹ 34.55 Crores was repaid in current year (Previous year: ₹ 34.55 Crores repayable in 2 half yearly instalments from September 2019).
- 11) Foreign currency term loan of ₹ 30.72 Crores was repaid in current year (Previous year: ₹ 30.72 Crores repayable in 2 half yearly instalments from July 2019).
- 12) Foreign currency term loan of ₹ 75.56 Crores are repayable in 2 half yearly instalments from September 2020 (Previous year: ₹ 138.18 Crores repayable in 4 half yearly instalments from September 2019).
- 13) Foreign currency term loan of ₹ 221.66 Crores are repayable in 11 half yearly instalments from April 2020 (Previous year: ₹ 239.54 Crores repayable in 13 half yearly instalments from April 2019).
- 14) Foreign currency term loan of ₹ 158.91 Crores was repaid in current year (Previous year: ₹ 158.91 Crores is repayable in one bullet instalment in April 2019).
- 15) Foreign currency term loan of ₹ 15.00 Crores are repayable in one bullet instalment in June 2022 (Previous year: ₹ 15.00 Crores is repayable in one bullet instalment in June 2022).
- 16) Foreign currency term loan of ₹ 165.16 Crores are repayable in 12 quarterly instalments from July 2020 (Previous year: ₹ Nil).

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for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

16. Provisions

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Provision for employee benefits		
Provision for compensated absences (Refer note 33.3)	31.79	25.21
Provision for retention pay (Refer note 33.3)	1.49	1.68
	33.28	26.89
Current		
Provision for employee benefits		
Provision for compensated absences (Refer note 33.3)	5.50	5.07
Provision for retention pay (Refer note 33.3)	0.14	0.07
	5.64	5.14

17. Deferred Tax (Net)

The following is the analysis of deferred tax assets / (liabilities) presented in balance sheet

	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	428.40	348.42
Deferred tax liabilities	(552.82)	(650.65)
Deferred tax liabilities, net	(124.42)	(302.23)

The major components of deferred tax assets / (liabilities) arising on account of temporary differences are as follows:

2019-20	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets				
Expenses deductible in future years	14.74	(0.97)	-	13.77
Provision for credit impaired loans / receivables	0.58	0.03	-	0.61
MAT Credit Entitlement	330.34	36.73	-	367.07
Cash flow hedges	-	-	42.30	42.30
Others	2.76	(0.97)	2.86	4.65
	348.42	34.82	45.16	428.40
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(625.93)	87.29	-	(538.64)
Investment in mutual funds	(8.24)	0.29	-	(7.95)
Cash flow hedges	(15.28)	-	15.28	-
Others	(1.20)	(5.03)	-	(6.23)
	(650.65)	82.55	15.28	(552.82)
Total	(302.23)	117.37	60.44	(124.42)

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for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

2018-19	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets				
Expenses deductible in future years	13.84	0.90	-	14.74
Provision for credit impaired loans / receivables	0.39	0.19	-	0.58
MAT Credit Entitlement	243.23	87.11	-	330.34
Others	3.45	(0.69)	-	2.76
	260.91	87.51	-	348.42
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(512.97)	(112.96)	-	(625.93)
Investment in mutual funds	(6.00)	(2.24)	-	(8.24)
Cash flow hedges	3.76	-	(19.04)	(15.28)
Others	(1.20)	-	-	(1.20)
	(516.41)	(115.20)	(19.04)	(650.65)
Total	(255.50)	(27.69)	(19.04)	(302.23)

- (i) Section 115BAA of the Income Tax Act, 1961 was introduced by the Taxation Laws (Amendment) Ordinance, 2019. Based on the current estimate of expected timing of exercising of the option under Section 115BAA, the Company has re-measured its deferred tax balances. Consequently, credit of ₹ 136.11 Crores (net of MAT adjustment of ₹ 74.02 Crores) has been recorded in the Statement of Profit and Loss during the year.
- (ii) MAT credit entitlement of ₹ 74.02 Crores (out of total ₹ 87.85 Crores generated during the year) expiring in the financial year ending March 31, 2035 is not recognised in the statement of profit and loss of the current year, due to expected timing of exercising of the option under section 115BAA of Income Tax Act, 1961.
- (iii) As on March 31, 2019 there were capital losses of ₹ 186.32 Crores expiring in the financial year ending March 31, 2023 on which no deferred tax asset was created, due to lack of probability of future capital gains against which such deferred tax assets can be realised. Pursuant to recognition of long term capital gain in the current year, such capital losses have been set-off (Refer note 40).

18. Trade Payables

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises [#]	30.36	18.24
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances [*]	92.59	140.52
- Other than acceptances	834.49	933.39
	957.44	1,092.15

[#]Refer to note 18.1

^{*}Acceptances represent invoices discounted by vendors with banks.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

18.1 Total outstanding dues of micro enterprises and small enterprises

Trade payables include the following dues to micro and small enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) to the extent such parties have been identified from the available information.

	As at March 31, 2020	As at March 31, 2019
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount**	35.88	34.42
- Interest due thereon	-	0.01
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED/ settled	1.02	1.18
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	-	0.01
- Interest remaining unpaid as at the end of the year	-	1.02
Interest remaining due and payable even in the succeeding years, until such date when the interest dues are actually paid, for the purpose of disallowance of a deductible expenditure	-	0.01

** including payable to micro enterprises and small enterprises included in other financial liabilities (refer note 19).

19. Other Financial Liabilities

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Derivatives carried at fair value through other comprehensive income		
Forward exchange contracts used for hedging	21.43	-
Interest rate swaps used for hedging	1.44	-
	22.87	-
Current		
Current maturities of long-term borrowings (Refer note 15)	742.19	365.37
Interest accrued but not due on borrowings	22.64	29.40
Unpaid dividends*	6.04	5.89
Security deposits received	6.86	5.95
Payables to capital creditors		
Total outstanding dues of micro enterprises and small enterprises [#]	5.52	17.20
Total outstanding dues of creditors other than micro enterprises and small enterprises	29.69	72.74
Unearned guarantee commission [@]	-	2.55

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	As at March 31, 2020	As at March 31, 2019
Derivatives carried at fair value through profit and loss		
Forward exchange contracts used for hedging	0.06	-
Derivatives carried at fair value through other comprehensive income		
Forward exchange contracts used for hedging	44.19	-
Interest rate swaps used for hedging	0.98	-
Others	33.55	11.71
	891.72	510.81

*Amount will be credited to investor education and protection fund if not claimed within seven years from the date of declaration of dividend.

#Refer to note 18.1

@pertains to guarantees given for subsidiaries

20. Tax Assets and Liabilities

	As at March 31, 2020	As at March 31, 2019
Non - Current tax assets		
Advance tax (net of provision for tax)	35.03	19.00
Current tax liabilities		
Provision for tax (net of advance tax)	9.75	9.83

21. Other Liabilities

	As at March 31, 2020	As at March 31, 2019
Non-current		
Deferred government grants*	-	2.08
	-	2.08
Current		
Contract liability (Refer note 39)	10.75	14.74
Statutory liabilities	17.77	10.04
Other payables	35.95	33.70
Payable to gratuity trust (Refer note 33.2)	15.82	8.30
	80.29	66.78

*The Company has recognized grant in respect of duty paid on procurement of capital goods under post EPCG scheme of Central Government which allows refund of such duty in the form of freely transferable duty credit scrips upon meeting of requisite export obligation. The Company has met its export obligations against this grant in the current year (export obligation as on March 31, 2019 was ₹ 25.18 crores).

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for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

22. Revenue from Operations*

	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products		
Manufactured goods	6,066.34	5,988.86
Traded goods	120.20	68.83
	6,186.54	6,057.69
Other operating revenues		
Claims	0.25	0.74
Export and other incentives	101.92	111.88
Scrap sales	28.75	34.47
Other operating income	13.38	0.81
	144.30	147.90
	6,330.84	6,205.59

Reconciliation of Revenue from Sale of Products with the Contracted Price

	Year ended March 31, 2020	Year ended March 31, 2019
Contracted price	6,284.35	6,167.95
Less: Discounts, allowances and claims	(97.81)	(110.26)
Sale of products	6,186.54	6,057.69

* Refer note 40(f)

23. Other Income*

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income		
- from customers	0.08	0.07
- on loans and deposits	1.06	0.93
- on others	11.20	3.33
Net gain on sale/ discarding of property, plant and equipment	12.85	-
Net gain on financial assets measured at fair value through profit and loss	9.38	11.93
Net foreign currency exchange fluctuation gains	1.87	-
Provision/ liabilities no longer required written back	2.86	4.99
Other non-operating income	13.99	20.88
	53.29	42.13

* Refer note 40(f)

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

24.1 Cost of Materials Consumed

	Year ended March 31, 2020	Year ended March 31, 2019
Opening stock of raw materials		
- Continuing operations	530.13	392.17
- Discontinued operations	27.89	28.62
Add: Purchases of raw materials		
- Continuing operations	3,134.31	3,575.26
- Discontinued operations	26.42	195.19
Less: Closing stock of raw materials		
- Continuing operations	465.59	530.13
- Discontinued operations	-	27.89
Cost of materials consumed *		
- Continuing operations	3,198.85	3,437.30
- Discontinued operations	54.31	195.92

* including packing material

24.2 Purchases of Stock in Trade*

	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of stock in trade	91.40	48.42
	91.40	48.42

* Refer note 40(f)

24.3 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade

	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the end of the year :		
- Continuing operations		
Stock-in-Process	152.85	133.75
Finished goods	251.88	174.15
Traded goods	1.73	2.82
	406.46	310.72
- Discontinued operations		
Stock-in-Process	-	0.34
Finished goods	-	5.66
Traded goods	-	-
	-	6.00
Inventories at the beginning of the year :		
- Continuing operations		
Stock-in-Process	133.75	88.87
Finished goods	174.15	152.69
Traded goods	2.82	1.68
	310.72	243.24

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for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
- Discontinued operations		
Stock-in-Process	0.34	0.15
Finished goods	5.66	3.49
Traded goods	-	-
	6.00	3.64
Net (increase) / decrease		
- Continuing operations	(95.74)	(67.48)
- Discontinued operations	6.00	(2.36)

25. Employee Benefits Expense*

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages, including bonus	402.31	337.89
Contribution to provident and other funds	31.70	25.46
Workmen and staff welfare expenses	52.09	46.14
Employee share based payment expense (Refer note 34)	0.98	4.34
	487.08	413.83

* Refer note 40(f)

26. Finance Cost*

	Year ended March 31, 2020	Year ended March 31, 2019
Interest cost [^]		
- Non-convertible debentures	21.99	21.99
- Term loans and others	130.13	130.87
- Lease liabilities	6.70	-
Other borrowing costs	10.13	11.55
Exchange differences regarded as an adjustment to borrowing costs	13.16	9.37
	182.11	173.78

[^]includes unwinding of deferred payment financial liability and pertains to liabilities measured at amortised cost.

* Refer note 40(f)

27. Depreciation and Amortisation Expense*

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment	328.99	315.66
Depreciation of right-of-use assets	16.74	-
Amortisation of intangible assets	7.48	9.46
	353.21	325.12

* Refer note 40(f)

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

28. Other Expense*

	Year ended March 31, 2020	Year ended March 31, 2019
Stores and spares consumed	54.10	48.73
Power and fuel	628.87	543.12
Labour production	40.62	34.39
Rent**	13.66	28.24
Repairs and maintenance		
- Buildings	6.07	4.54
- Plant and machinery	151.12	131.06
- Others	34.30	31.03
Insurance	35.07	16.74
Rates and taxes	35.78	34.15
Freight charges	188.92	180.80
Expenditure on corporate social responsibility***	12.00	10.38
Legal and professional charges	31.00	30.98
Travelling and conveyance	17.16	18.84
Directors' sitting fees	0.21	0.21
Selling commission	12.56	15.33
Credit impaired assets provided/ written off	1.74	1.85
Property, plant and equipment provided/ written off	2.88	1.95
Auditor remuneration		
- Audit fees	0.50	0.50
- For limited review of unaudited financial results	0.35	0.36
- For Corporate governance, consolidated financial statements and other certificates	0.09	0.09
- For tax audit	0.06	0.06
- Reimbursement of out of pocket expenses	0.09	0.09
Effluent disposal expenses	77.49	49.38
Net foreign currency exchange fluctuation loss	-	18.33
Miscellaneous expenses^	42.10	46.56
	1,386.74	1,247.71

* Refer note 40(f)

**Refer to note 37

***Refer to note 41(f)

^Including Nil (Previous year: ₹ 3.00 Crores) paid as political contribution

29. Income Tax Recognised in Profit and Loss

	Year ended March 31, 2020	Year ended March 31, 2019
Tax expense related to continuing operations	(13.11)	167.52
Tax expense related to discontinued operations	61.23	8.41
	48.12	175.93

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Tax expense related to continuing operations		
Current tax		
In relation to current year	115.97	141.14
Adjustment in relation to earlier years	(11.71)	(1.31)
	104.26	139.83
Deferred tax		
- MAT credit entitlement		
In relation to current year	(13.83)	(59.70)
Adjustment in relation to earlier years	(22.90)	(27.41)
	(36.73)	(87.11)
- Others		
In relation to current year	(83.09)	113.23
Adjustment in relation to earlier years	2.45	1.57
	(80.64)	114.80
(b) Tax expense related to discontinued operations		
Current tax		
In relation to current year	61.23	8.41
	61.23	8.41

The income tax expenses for the year can be reconciled to the accounting profits as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax from continuing operations	780.48	669.04
Profit before tax from discontinued operations	241.82	24.07
Total profit before tax	1,022.30	693.11
Income Tax Expenses @ 34.944% (Previous year: 34.944%)	357.23	242.20
Effect of deductions (research and development and deductions under chapter VI A of Income Tax Act)	(76.74)	(45.61)
Effect of expenses that are not deductible in determining taxable profit	6.25	5.87
Effect of income taxable at lower rate	(26.00)	-
Effect of credit recognised on set-off of carried forward long term capital losses (Refer note (iii) below)	(43.40)	-
Effect of credit recognised on re-measurement of deferred tax balances pursuant to introduction of Section 115BAA by the Taxation Laws (Amendment) Ordinance, 2019 (Refer note 17(i))	(136.11)	-
Others	(0.95)	0.62
Income tax expenses recognised in statement of profit and loss in relation to current year	80.28	203.08
Income tax credit recognised in statement of profit and loss in relation to earlier years (Refer note (ii) below)	(32.16)	(27.15)
Total Income tax expenses recognised in profit and loss	48.12	175.93

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Notes:

- (i) The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (Previous year: 34.944%) payable by corporate entities in India on taxable profits under the Indian tax law.
- (ii) Income tax in relation to earlier years includes tax credit of ₹ 22.58 Crores (Previous year: ₹ 24.76 Crores) which is related to finalization and determination of deduction/allowance claimed for earlier years under Chapter-VIA of the Income-tax Act, 1961, for generation of power from captive power plants which is based on finalization of transfer pricing study /tax audit reports of the earlier years.
- (iii) The Company had ₹ 186.32 Crores of carried forward long term capital losses as per Income Tax Act, 1961, available for set off, on which no deferred tax asset was recognized till previous year. Pursuant to recognition of long term capital gain, a tax credit of ₹ 43.40 Crores has been recognised during the current year in respect of such losses in accordance with Ind AS 12 - "Income Taxes".

30. Income Tax Recognised in Other Comprehensive Income

	Year ended March 31, 2020	Year ended March 31, 2019
Arising on income and expense recognised in other comprehensive income		
Net (gain)/ loss on designated portion of hedging instruments in cash flow hedges	57.58	(19.04)
Remeasurement of defined benefit obligation	2.86	0.62
	60.44	(18.42)
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	57.58	(19.04)
Items that will not be reclassified to profit or loss	2.86	0.62
	60.44	(18.42)

31. Contingent Liabilities and Commitments

	As at March 31, 2020	As at March 31, 2019
a. Claims against the Company not acknowledged as debts		
Goods and services tax, excise duty, custom duty and service tax*	21.33	21.39
Sales tax and entry tax**	19.08	46.94
Income tax***	5.79	9.07
Stamp duty®	-	28.82
Others***	11.85	0.94

*Amount deposited against contingent liability ₹ 2.72 Crores (Previous year: ₹ 6.17 Crores)

**Amount deposited against contingent liability ₹ 4.62 Crores (Previous year: ₹ 2.57 Crores)

***Amount deposited against contingent liability ₹ 0.49 Crore (Previous year: ₹ 0.08 Crore)

****Amount deposited against contingent liability ₹ 5.68 Crores (Previous year: ₹ 7.14 Crores)

@In the matter of a demand for Stamp duty related to Tyrecord Division at Malanpur, Gwalior, Madhya Pradesh, the Division Bench of the Hon'ble High Court of Madhya Pradesh decided in favour of Revenue department during the current year. The Company's petition in the Supreme Court was dismissed. The Company paid the entire duty demand of ₹ 28.82 Crores (including penalty of ₹ 5.09 Crores).

***Includes demand by Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. (MPPKVV Ltd) of ₹ 10.06 Crores which is disputed by the Company.

All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on the results of the operations or financial position of the Company.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

- b. The Company has been served with show cause notices regarding certain transactions as to why additional customs/excise duty / service tax amounting to ₹ 25.61 Crores (Previous year: ₹ 20.10 Crores) should not be levied. The Company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.

The Company has received a draft assessment order for assessment year 2016-17 in which adjustments amounting to ₹ 367.37 Crores have been proposed on account of transfer pricing adjustments etc. which are pending before Dispute Resolution Panel. Based on the transfer pricing study, facts of the case and applicable case laws, the company is of the view that the proposed adjustments will not sustain.

- c. In February 2019, the Honorable Supreme Court of India in its judgement opined on the applicability of allowances that should be considered to measure obligations under Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Company believes that there are interpretative challenges on the application of judgement retrospectively and therefore has applied the judgement on a prospective basis.
- d. Guarantees given to banks and others for repayment of financial facilities availed by wholly owned subsidiaries are as below:

Name of the subsidiary	Currency	Guarantee amount as at				Loan/payable outstanding against the guarantee as at			
		March 31, 2020 [^]		March 31, 2019 ^{^^}		March 31, 2020 [^]		March 31, 2019 ^{^^}	
		In Millions	₹ Crores	In Millions	₹ Crores	In Millions	₹ Crores	In Millions	₹ Crores
SRF Flexipak South Africa (Pty) Limited	USD	46.00	347.58	46.00	317.84	8.00	60.45	13.00	89.82
	USD	12.00	90.67	12.00	82.91	0.95	7.15	0.49	3.41
	USD	14.95	112.96	14.95	103.30	0.43	3.24	0.58	4.03
	ZAR	80.00	33.92	80.00	38.09	60.24	25.54	3.70	1.76
SRF Global BV	EUR	-	-	11.00	85.34	-	-	10.00	77.58
	EUR	22.00	181.68	-	-	20.00	165.16	-	-
	USD	44.00	332.46	44.00	304.02	8.45	63.85	*	*
	USD	66.00	498.70	66.00	456.03	60.00	453.36	59.51	411.18
SRF Industries (Thailand) Limited	USD	-	-	52.00	359.29	-	-	6.00	41.46
	USD	-	-	6.00	41.46	-	-	*	*
	THB	682.00	156.86	-	-	50.00	11.50	-	-
	EUR	18.00	148.64	-	-	18.00	148.64	-	-
SRF Europe Kft (Hungary)	EUR	22.00	181.68	22.00	170.68	1.50	12.39	17.85	138.48
	EUR	77.00	635.87	-	-	47.92	395.69	-	-

*The loan under the said guarantee was repaid in March 2019 and the Company was in the process of withdrawing this guarantee.

[^]Converted using closing exchange rate - USD 75.56, Euro 82.580, ZAR 4.24 and THB 2.30

^{^^}Converted using closing exchange rate - USD 69.0950, Euro 77.580 and ZAR 4.761

- e. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

f. Capital and other commitments

	As at March 31, 2020	As at March 31, 2019
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	153.75	150.15

- (ii) The Company has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The Company does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses which have not been provided for.

32. Related Party Transactions

32.1 Description of related parties under Ind AS - 24 "Related party disclosures"

Holding Company

KAMA Holdings Limited

Subsidiaries

SRF Holiday Home Limited
SRF Global BV
SRF Industries (Thailand) Limited
SRF Industex Belting (Pty) Limited
SRF Flexipak (South Africa) (Pty) Limited
SRF Europe Kft ^
SRF Employees Welfare Trust ^^

Fellow subsidiaries

KAMA Realty (Delhi) Limited
Shri Educare Limited

Post Employment Benefit Plans Trust

SRF Limited Officers Provident Fund Trust
SRF Employees Gratuity Trust
SRF Officers Gratuity Trust

KMP of Holding Company

Rajat Lakhanpal *

Relative of KMP of Holding Company

Nirmala Kothari ****

Key management personnel (KMP)

Arun Bharat Ram
Ashish Bharat Ram
Kartik Bharat Ram
Vinayak Chatterjee *
Tejpreet S Chopra
Lakshman Lakshminarayan
Vellayan Subbiah
Pramod Bhasin **
Meenakshi Gopinath
Pramod Gopaldas Gujarathi
Bharti Gupta Ramola ***
Yash Gupta ****
Puneet Yadu Dalmia ****

Enterprises over which KMP have significant influence

SRF Foundation
Karm Farms LLP
Srishti Westend Greens Farms LLP
SRF Welfare Trust

Relative of KMP

Sushil Ramola ***
Shanthi Narayan
Murugappan Vellayan Subbiah

* upto March 31, 2019

** upto February 4, 2019

*** from February 4, 2019

**** from April 1, 2019

^ from April 25, 2018

^^ from June 27, 2018 by virtue of management control

Only with whom the Company had transactions during the year

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

32.2 Transactions with related parties

	Year ended March 31, 2020	Year ended March 31, 2019
Sale of goods to:		
Subsidiaries	29.55	23.39
Enterprises over which KMP have significant influence	0.25	-
	29.80	23.39
Purchase of goods from:		
Subsidiaries	7.74	1.03
	7.74	1.03
Purchase of property, plant & equipment and intangible assets from:		
Holding Company	0.15	-
Subsidiaries	5.85	-
	6.00	-
Sale of property, plant & equipment and intangible assets to:		
Holding Company	0.20	-
	0.20	-
Services rendered to:		
Subsidiaries	7.04	6.88
	7.04	6.88
Rent paid to:		
Fellow Subsidiaries	6.63	6.75
Subsidiaries	0.01	-
Key management personnel	0.29	0.29
Enterprises over which KMP have significant influence	0.27	1.56
	7.20	8.60
Reimbursement of expenses from		
Holding Company	0.01	0.01
Subsidiaries	1.95	1.54
Fellow Subsidiaries	0.05	0.04
	2.01	1.59
Deposits given to		
Subsidiaries	0.02	-
	0.02	-
Deposits received back from		
Fellow Subsidiaries	0.12	-
Enterprises over which KMP have significant influence	0.04	1.20
	0.16	1.20
Donations to		
Enterprises over which KMP have significant influence	12.00	10.38
	12.00	10.38
Contribution to post employment benefit plans		
Post Employment Benefit Plans Trust	24.31	21.20
	24.31	21.20
Employee benefit obligations transferred to		
Holding Company	0.03	-
Fellow Subsidiaries	0.10	-
	0.13	-
Employee benefit obligations transferred from		
Holding Company	0.09	-
	0.09	-

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
Equity dividend paid		
Holding Company	42.07	36.06
Key management personnel	0.06	0.05
Relative of KMP	0.04	0.02
KMP of Holding Company	-	^^
Relative of KMP of Holding Company	^	-
	42.17	36.13
^Amount in absolute ₹ 140 (Previous year: Nil)		
^^Amount in absolute Nil (Previous year: ₹ 972)		
Guarantees issued / renewed		
Subsidiaries*	1,621.74	1,088.35
	1,621.74	1,088.35
Guarantees run-down / released		
Subsidiaries**	1,027.78	555.89
	1,027.78	555.89

* Converted using closing exchange rate - March 31, 2020 : USD 66 Million @ 75.56, Euro 117 Million @ 82.58 and THB 682 Million @ 2.30 (Previous year: USD 114.95 Million @ 69.0950, Euro 33 Million @ 77.580 and ZAR 80 Million @ 4.761)

** Converted using closing exchange rate - March 31, 2020 : USD 124 Million @ 75.56, Euro 11 Million @ 82.58 (Previous year: USD 74.94 Million @ 69.0950 and ZAR 80 Million @ 4.761)

32.3 Outstanding Balances:

	As at March 31, 2020	As at March 31, 2019
Receivables		
Subsidiaries	17.35	8.84
	17.35	8.84
Payables		
Subsidiaries	5.83	1.03
Post Employment Benefit Plans Trust	14.37	9.30
	20.20	10.33
Commission payable		
Key management personnel	10.22	7.00
	10.22	7.00
Security deposits outstanding		
Subsidiaries	0.02	-
Fellow Subsidiaries	3.27	3.39
Key management personnel	0.13	0.13
Enterprises over which KMP have significant influence	0.14	0.18
	3.56	3.70
Equity Investment outstanding		
Subsidiaries	83.60	83.60
	83.60	83.60
Guarantees outstanding		
Subsidiaries***	2,721.01	1,958.95
	2,721.01	1,958.95

*** Converted using closing exchange rate - March 31, 2020 : USD 182.95 Million @ 75.56, Euro 139 Million @ 82.58, ZAR 80 Million @ 4.24 and THB 682 Million @ 2.30 (Previous year: USD 240.95 Million @ 69.0950, Euro 33 Million @ 77.580 and ZAR 80 Million @ 4.761)

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

32.4 Key management personnel compensation

	Year ended March 31, 2020	Year ended March 31, 2019
Short-term benefits*	22.11	16.95
Post-employment benefits	1.75	1.36
Other long-term benefits	1.25	0.33
	25.11	18.64

* Includes sitting fees and commission paid/ payable to non executive directors

33. Employee Benefits

33.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

	Year ended March 31, 2020	Year ended March 31, 2019
Superannuation fund (Refer to note (i) below)	0.65	0.58
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	12.58	9.73
Employees' State Insurance Corporation	0.58	1.13
National Pension Scheme	1.99	1.78
	15.80	13.22

The expenses incurred on account of the above defined contribution plans have been included in Note 25 "Employee Benefits Expenses" under the head "Contribution to provident and other funds".

(i) Superannuation fund

The Company makes contributions to a Trust which in turn contributes to ICICI Prudential Life Insurance Company Limited. Apart from being covered under the Gratuity Plan described below, the employees of the Company also participate in a defined contribution superannuation plan maintained by the Company. The Company has no further obligations under the plan except making annual contributions based on a specified percentage of each covered employee's salary. From November 1, 2006, the Company provided an option to the employees to receive the said benefit as cash compensation along with salary in lieu of the superannuation benefit. Thus, no contribution is required to be made for the category of employees who opted to receive the benefit in cash.

(ii) Provident fund administered through Regional Provident Fund Commissioner

All employees are entitled to Provident Fund benefits as per the law. For certain category of employees the Company administers the benefits through a recognised Provident Fund Trust. The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. For other employees contributions are made to the Regional Provident Fund Commissioners. The Government mandates the annual yield to be provided to the employees on their corpus. This plan is considered as a Defined Contribution Plan. For the first category of employees (covered by the Trust), the Company has an obligation to make good the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government and these are considered as Defined Benefit Plans and are accounted for on the basis of an actuarial valuation.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

33.2 Defined benefit plans

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by separate funds which are legally separate from the Company. These plans are:

- (a) Gratuity
- (b) Provident fund for certain category of employees administered through a recognised provident fund trust
- (i) **These plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk**

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

- (ii) **The principal assumption used for the purpose of the actuarial valuation were as follows:**

	As at March 31, 2020		As at March 31, 2019	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	6.77%	6.77%	7.66%	7.66%
Expected statutory interest rate	-	8.50%	-	8.65%
Salary increase	7.00%	-	7.00%	-
Retirement Age (years)	58	58	58	58
Mortality Rates	IALM (2012-14)	IALM (2012-14)	IALM (2006-08)	IALM (2006-08)
Withdrawal rate				
Upto 30 years	20.00%	20.00%	20.00%	20.00%
31 to 44 years	7.00%	7.00%	7.00%	7.00%
Above 44 years	8.00%	8.00%	8.00%	8.00%

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

(iii) Amounts recognised in statement of profit and loss in respect of these benefit plans are as follows:

	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	7.19	6.07	6.00	6.36
Interest expenses (net of expected return on plan assets)	0.64	-	0.52	-
	7.83	6.07	6.52	6.36

The current service cost and the net interest expenses for the year are included in Note 25 "Employee Benefits Expenses" under the head "Contribution to provident and other funds".

(iv) Amounts recognised in Other Comprehensive Income:

	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Actuarial (gain)/ losses on plan assets	(0.41)	-	(5.71)	-
Actuarial (gain)/ losses arising from changes in financial assumptions	4.54	-	(2.43)	-
Actuarial (gain)/ losses arising from changes in experience adjustments	4.06	-	9.92	-
	8.19	-	1.78	-

(v) The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	As at March 31, 2020		As at March 31, 2019	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	85.78	137.01	70.66	121.17
Fair value of plan assets	69.96	136.55	62.36	123.07
Surplus/ (Deficit)	(15.82)	(0.46)	(8.30)	1.90
Effect of asset ceiling, if any	-	-	-	(1.90)
Net assets / (liability)	(15.82)	(0.46)	(8.30)	-

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

(vi) Movements in the present value of defined benefit obligation are as follows:

	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	70.66	121.17	62.22	105.25
Current service cost	7.19	6.07	6.00	6.36
Interest cost	5.41	10.32	4.81	8.01
Actuarial (gain)/ losses arising from changes in financial assumptions	4.54	-	(2.43)	-
Actuarial (gain)/ losses arising from changes in experience adjustments	4.06	-	9.92	-
Benefits paid	(5.04)	(13.88)	(9.86)	(7.87)
Contribution by plan participants/ employees	-	10.00	-	8.78
Settlement/ transfer in	(1.04)	3.33	-	0.64
Closing defined benefit obligation	85.78	137.01	70.66	121.17

(vii) Movements in the fair value of plan assets are as follows:

	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	62.36	123.07	55.47	106.83
Return on plan assets (excluding amounts included in net interest expenses)	5.28	10.14	10.00	8.33
Contributions from employer	8.30	6.07	6.75	6.36
Contributions from plan participants	-	10.00	-	8.78
Benefits paid	(5.04)	(13.88)	(9.86)	(7.87)
Settlement/ transfer in	(0.94)	1.15	-	0.64
Closing fair value of plan assets	69.96	136.55	62.36	123.07

Gratuity:

Plan assets comprises primarily of investment in HDFC Group Unit Linked Plan fund. The average duration of the defined benefit obligation is 9.08 years (Previous year: 8.99 years). The Company expects to make a contribution of ₹ 8.68 Crores (Previous year: ₹ 7.01 Crores) to the defined benefit plans during the next financial year.

Provident fund:

The plan assets have been primarily invested in government securities and corporate bonds.

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the 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 reporting period, while holding all other assumptions constant.

	Year ended March 31, 2020		Year ended March 31, 2019	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Sensitivity analysis of Gratuity				
Discount rate	(2.62)	2.79	(2.05)	2.18
Expected salary growth	2.72	(2.63)	2.19	(2.07)
Sensitivity analysis of Provident Fund				
Discount rate	(0.01)	0.01	(0.01)	0.01

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

33.3 Other long-term employee benefit

Amounts recognized in the statement of profit and loss in note 25 "Employee Benefits expense" under the head "Salaries and wages, including bonus" are as under:

	Year ended March 31, 2020	Year ended March 31, 2019
Long term retention pay (Refer to note (i) below)	0.14	0.17
Compensated absences	11.26	6.93
	11.40	7.10

(i) Long Term Retention Pay

The Company has a Long Term Retention Pay Plan which covers employees selected on the basis of their current band and their long term value to the Company. The incentive is payable in three year blocks subject to achievement of certain performance ratings. The Company also has a scheme for talent retention of certain identified employees under which an incentive is payable over a period of three years. Based on actuarial valuation, the Company has accrued the above mentioned amounts.

34. Employee Share Based Payments

The Company has an Employee Share Purchase Scheme (SRF Long Term Share Based Incentive Plan) to provide equity settled share based payments to certain employees. The expenses related to the grant of shares under the Scheme are accounted for on the basis of fair value of the share on the grant date (which is the market price of the Company's share on the date of grant less exercise price). The fair value so determined is expensed on a straight line basis over the remaining tenure over which the employees renders their services.

There were no equity shares granted during the current year. The number and fair value of equity shares granted during the previous year are as under:

	Year ended March 31, 2019
Number of equity shares granted during the year	60,000
Market price on the grant date (₹ per equity share)	1,724.73
Exercise price (₹ per equity share)	10.00
Fair value on the grant date (₹ per equity share)	1,714.73

35. Segment Reporting

Based on the guiding principles laid down in Indian Accounting Standard (Ind AS) - 108 "Segment Reporting", the Managing Director of the Company is the Chief Operating Decision Maker (CODM) and for the purposes of resource allocation and assessment of segment performance the business of the Company is segregated in the segments below:

- Technical Textiles business: includes nylon tyre cord fabric, belting fabric, polyester tyre cord fabric and industrial yarns and its research and development
- Chemicals business: includes refrigerant gases, chloromethane, pharmaceuticals, fluorochemicals & allied products and its research and development.
- Packaging Film business: includes polyester films.
- Others: includes coated fabric, laminated fabric and other ancillary activities.

Segment revenue, results and capital employed include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments. These amounts relate to continuing operations, unless otherwise stated. (Refer to note 40 with regard to information in relation to discontinued operations).

b) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

A. Information about operating business segments

	Year ended March 31, 2020	Year ended March 31, 2019
Segment revenue		
a) Technical textiles business (TTB)		
- External sales	1,352.62	1,732.34
- Inter-segment sales	4.93	3.36
Total	1,357.55	1,735.70
b) Chemicals business (CB)		
- External sales	2,984.93	2,446.56
- Inter-segment sales	-	-
Total	2,984.93	2,446.56
c) Packaging films business (PFB)		
- External sales	1,715.03	1,755.08
- Inter-segment sales	0.42	2.31
Total	1,715.45	1,757.39
d) Others		
- External sales	278.26	271.61
- Inter-segment sales	0.08	-
Total	278.34	271.61
Total segment revenue	6,336.27	6,211.26
Less: Inter segment revenue	5.43	5.67
Revenue from operations	6,330.84	6,205.59
Add: Unallocable income	53.29	42.13
Total revenue	6,384.13	6,247.72

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
Segment profits		
(Profit before interest and tax from each segment)		
a) Technical textiles business (TTB)	151.52	261.26
b) Chemicals business (CB)	516.11	385.63
c) Packaging films business (PFB)	395.80	275.67
d) Others	31.77	21.81
Total segment results	1,095.20	944.37
Less: i) Interest and finance charges	182.11	173.78
Less: ii) Other unallocable expenses net of income	132.61	101.55
Profit before tax from continuing operations	780.48	669.04
Profit before tax from discontinued operations (Refer to note 40)	241.82	24.07
Total profit before tax	1,022.30	693.11
Capital expenditure		
a) Technical textiles business (TTB)	62.83	49.40
b) Chemicals business (CB)	503.27	836.22
c) Packaging films business (PFB)	41.33	71.77
d) Others	11.67	7.31
e) Unallocated	6.53	6.38
Total	625.63	971.08
Depreciation and amortisation		
a) Technical textiles business (TTB)	34.69	34.95
b) Chemicals business (CB)	245.33	221.61
c) Packaging films business (PFB)	50.86	49.96
d) Others	8.49	8.22
e) Unallocated	13.84	10.38
Total	353.21	325.12

Segment assets and liabilities	As at March 31, 2020	As at March 31, 2019
Segment assets		
a) Technical textiles business (TTB)	1,390.20	1,412.48
b) Chemicals business (CB)	5,233.16	4,913.89
c) Packaging films business (PFB)	1,481.72	1,624.00
d) Others	187.37	298.39
Total	8,292.45	8,248.76
Unallocable assets	527.13	423.54
Total assets	8,819.58	8,672.30
Segment liabilities		
a) Technical textiles business (TTB)	305.82	405.02
b) Chemicals business (CB)	514.46	433.96
c) Packaging films business (PFB)	291.15	375.81
d) Others	43.68	52.05
Total	1,155.11	1,266.84
Unallocable liabilities	2,980.22	3,486.82
Total liabilities	4,135.33	4,753.66

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

B. Information about geographical business segments

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations		
- India	3,639.45	3,889.21
- Germany	525.59	312.48
- USA	372.02	286.02
- Belgium	293.59	263.90
- Switzerland	425.38	210.51
- Others	1,074.81	1,243.47
	6,330.84	6,205.59

	As at March 31, 2020	As at March 31, 2019
Non current segment assets		
- Within India	6,022.14	5,729.25
- Outside India	-	-
	6,022.14	5,729.25

Non-current segment assets includes property, plant and equipments, right-of-use assets, capital work in progress, intangible assets, goodwill and other non current assets.

No single customer contributed 10% or more to the Company's revenue for both 2019-20 and 2018-19.

Revenue from major products	Year ended March 31, 2020	Year ended March 31, 2019
a) Technical textiles business (TTB)		
Nylon tyre cord fabric/ Polyester tyre cord fabric/ Belting fabric	1,178.73	1,500.22
Synthetic filament yarn including industrial yarn/ Twine	162.86	216.14
b) Chemicals business (CB)		
Fluorospecialities chemicals	1,623.83	1,039.13
Fluorochemicals, Refrigerant gases and Allied products	939.06	991.48
Chlorinated solvents and Industrial chemicals	344.89	347.80
Others	1.31	13.54
c) Packaging films business (PFB)		
Packaging films	1,671.53	1,683.83
d) Others		
Laminated fabric, Coated fabric and other ancillary activities	264.33	265.55
	6,186.54	6,057.69

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

36. Earnings Per Share (EPS)

	Year ended March 31, 2020	Year ended March 31, 2019
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share:		
- From continuing operations	793.59	501.52
- From discontinued operations	180.59	15.66
- From continuing and discontinued operations	974.18	517.18
Weighted average number of equity shares for the purpose of calculating basic earnings per shares and diluted earnings per share (numbers)	5,74,80,500	5,74,60,445
Basic and diluted earnings per share (₹)		
- From continuing operations	138.06	87.28
- From discontinued operations	31.42	2.73
- From continuing and discontinued operations	169.48	90.01

37. Leases

The Company leases various types of assets including land, buildings and plant and equipment. Information about leases for which the Company is a lessee is presented below.

Right-of-use assets	Land*^	Buildings	Plant and equipment	Total
Balance at April 1, 2019	140.02	43.96	21.67	205.65
Additions to right-of-use assets	13.89	1.02	28.96	43.87
Deletion of right-of-use assets	(5.20)	-	-	(5.20)
Depreciation charge for the year	(1.54)	(6.76)	(8.44)	(16.74)
Balance at March 31, 2020	147.17	38.22	42.19	227.58

*The execution of lease deed of land in respect of 1,149,550 sq. mtrs. (Previous year: 1,081,250 sq. mtrs.) of leasehold land allotted to the Company by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

^Including reclassification amounting to ₹ 135.77 Crores from non-current / current assets to right-of-use assets for prepaid lease rentals.

Lease liabilities

Lease liabilities included in the Balance Sheet as at March 31, 2020

	As at March 31, 2020
Current	13.71
Non-current	73.98

Amounts recognised in Statement of Profit and Loss

	Year ended March 31, 2020
Interest on lease liabilities	6.70
Depreciation expense	16.74
Expenses relating to short-term leases and leases of low-value assets (Refer note 28)	13.66

Amounts recognised in Cash Flow Statement

	Year ended March 31, 2020
Total cash outflow for leases	18.87

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Impact due to change in Accounting Policy

On transition to Ind AS 116, the Company has recognised right-of-use assets and lease liabilities. The impact on transition is summarized below:

Operating lease commitments at March 31, 2019 as disclosed under Ind AS 17	133.99
Lease liabilities discounted using incremental borrowing rate recognised at April 1, 2019	69.88

When measuring lease liabilities for leases that were classified as operating lease, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied is 8%.

Operating lease commitments under Ind AS 17

The Company has entered into operating lease agreements for various premises taken for accommodation of Company's officers/ directors, various offices of the Company, lands and certain equipments. These arrangements are both cancellable and non-cancellable in nature and range between two to ninety nine years. The future minimum lease payments under non-cancellable operating leases are as under:

	As at March 31, 2019
Non-cancellable operating lease commitments	
- Within one year	9.57
- Later than one year and not later than five years	32.90
- Later than five years	91.52
	133.99
	Year ended March 31, 2019
Lease rent recognised in the Statement of profit and loss (Refer note 28) *	28.24

* Excluding amounts relating to discontinued operations.

38. Financial Instruments and Risk Management

38.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders by maintaining a reasonable balance between debt and equity. The capital structure of the Company consists of net debt (borrowings net of cash and cash equivalents and current investments) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on periodic basis. As part of its review, the management considers the cost of capital and risk associated with each class of capital. The Company also evaluates its gearing measures using Debt Equity Ratio to arrive at an appropriate level of debt and accordingly evolves its capital structure.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

The following table provides the details of the debt and equity at the end of the reporting periods:

	As at March 31, 2020	As at March 31, 2019
Debt	2,752.12	3,103.12
Cash and cash equivalents	98.26	162.80
Current investments	198.50	100.49
Net debt	2,455.36	2,839.83
Total equity	4,684.25	3,918.64
Net debt to equity ratio	0.52	0.72

During the current year, investment in mutual funds have been considered in computation of net debt considering the short term nature of these investments. The comparative figures have been recomputed and disclosed accordingly.

38.2 Financial instruments by category

Financial assets	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Measured at amortised cost						
Trade Receivables		a	768.71	856.15	768.71	856.15
Cash and cash equivalents		a	98.26	162.80	98.26	162.80
Bank balances other than above		a	9.03	9.33	9.03	9.33
Loans		a,b	52.30	41.38	52.30	41.38
Other financial assets		a	186.02	172.77	186.02	172.77
			1,114.32	1,242.43	1,114.32	1,242.43
Measured at Fair value through profit and loss						
Investments in mutual funds	2	d	198.50	100.49	198.50	100.49
Derivative instruments	2	d	-	3.40	-	3.40
			198.50	103.89	198.50	103.89
Measured at Fair value through Other comprehensive income						
Investments in unquoted equity instruments	3	d	4.16	0.11	4.16	0.11
Derivative instruments	2	d	-	30.85	-	30.85
			4.16	30.96	4.16	30.96

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Financial liabilities	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Measured at amortised cost						
Borrowings		a,c	1,922.23	2,737.75	1,922.23	2,737.75
Lease Liabilities		a,c	87.70	-	87.70	-
Trade payables		a	957.44	1,092.15	957.44	1,092.15
Other financial liabilities		a	846.49	508.26	846.49	508.26
			3,813.86	4,338.16	3,813.86	4,338.16
Measured at Fair value through profit and loss						
Financial guarantee contracts	3	d	-	2.55	-	2.55
Derivative instruments	2	d	0.06	-	0.06	-
			0.06	2.55	0.06	2.55
Measured at Fair value through Other comprehensive income						
Derivative instruments	2	d	68.04	-	68.04	-
			68.04	-	68.04	-

The following methods/ assumptions were used to estimate the fair values:

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- The fair value of other long-term borrowings and lease liabilities is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.
- The fair value is determined by using the valuation model/ technique with observable/ non-observable inputs and assumptions.
- Investment value excludes investment in subsidiaries which are shown at cost in balance sheet as per Ind AS 27 "Separate financial statements".

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2020 and March 31, 2019.

Level 1:

Quoted prices in the active market: This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

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for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Level 2:

Valuation techniques with significant observable inputs: This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of over the counter (OTC) derivative contracts and open ended mutual funds.

Level 3:

Valuation techniques with significant unobservable inputs: This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments and financial guarantees contracts.

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- (i) Investments in mutual funds: Fair value is determined by reference to quotes from the financial institutions.
- (ii) Derivative contracts: The Company has entered into various foreign currency contracts and interest rate swaps contracts to manage its exposure to fluctuations in foreign exchange rates and interest rate respectively. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the authorized dealers banks and forward exchange rates at the balance sheet date.
- (iii) Unquoted equity investments: Fair value is determined based on the recoverable value as per agreement with the investee.
- (iv) Financial guarantee contracts: Financial guarantee contracts are recognised initially as a liability at fair value determined based on comparative quotations from banks for provision of similar guarantees.

Reconciliation of Level 3 fair value measurements	Unlisted equity instruments	Financial Guarantee Contracts
As at March 31, 2018	0.12	5.73
Sale of investment	(0.01)	-
Income recognised in profit and loss	-	(3.18)
As at March 31, 2019	0.11	2.55
Purchase of investment	4.05	-
Income recognised in profit and loss	-	(2.55)
As at March 31, 2020	4.16	-

Sensitivity of the fair value measurement to changes in unobservable inputs for financial instruments in Level 3 level of hierarchy is insignificant.

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(All amounts in ₹ Crores, unless otherwise stated)

38.3 Financial Risk Management

The Company is exposed to various financial risks arising from its underlying operations and finance activities. The Company is primarily exposed to market risk (i.e. interest rate and foreign currency risk) and to credit risk and liquidity risk. The Company's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management within the Company is governed by policies and guidelines approved by the senior management and the Board of Directors. These policies and guidelines cover interest rate risk, foreign currency risk, credit risk and liquidity risk. Company policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function within the Company. Review of the financial risk is done on a monthly basis by the Managing Director and on a quarterly basis by the Board of Directors. The objective of financial risk management is to contain, where deemed appropriate, exposures on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the Company's results and financial position.

In accordance with its financial risk management policies, the Company manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. It is the Company's policy and practice neither to enter into derivative transactions for speculative purpose, nor for any purpose unrelated to the underlying business. The Board of Directors/ Managing Director reviews and approves policies for managing each of the above risks.

38.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The Company enters into derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk.

A. Foreign Currency Risk Management

Foreign currency risk also known as Exchange Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign currency risk in the Company is attributable to Company's operating activities and financing activities.

In the operating activities, the Company's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). In compliance with the Board approved policy, the Company manages the net exposure on a rolling 12 month basis and for exposures between 12 to 36 months, hedging is done based on specific exposure. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the Company are mainly in U.S. Dollar (USD), Euro (EUR), Japanese Yen (JPY) and British Pound Sterling (GBP). The Company's exposure to foreign currency changes for all other currencies is not material.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in ₹ are as follows:

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for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

	Assets		Liabilities	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD	247.47	321.20	1,483.12	1,825.76
EUR	111.16	128.23	585.07	394.31
JPY	-	-	6.87	6.36
GBP	4.13	4.85	0.14	0.58

Foreign currency sensitivity analysis

The Company is mainly exposed to changes in USD, EUR, JPY and GBP exchange rates.

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2020		Year ended March 31, 2019	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) *				
USD	8.43	(8.43)	11.33	(11.33)
EUR	(1.03)	1.03	(1.12)	1.12
JPY	0.07	(0.07)	0.06	(0.06)
GBP	(0.04)	0.04	(0.04)	0.04

* Includes sensitivity on long-term foreign currency monetary items on which Para D13 AA of Ind AS 101 has been applied. Accordingly, the exchange loss/ (gain) arising on long term foreign currency monetary items relating to acquisition of depreciable assets will be added to/ deleted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of assets.

Impact on equity (Other Comprehensive Income)				
USD	3.78	(3.78)	3.45	(3.45)
EUR	5.78	(5.78)	3.88	(3.88)

Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within of 1 to 24 months for hedges of forecasted sales, purchases and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

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for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Outstanding Contracts*	No. of Deals		Contract Value of Foreign Currency (In Millions)		Maturity			
					Up to 12 months Nominal Amount* (₹ Crores)		More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD / INR Sell forward	196	110	254.56	113.00	1,243.67	780.75	680.78	45.07
EUR / USD Sell forward	4	11	6.00	12.00	50.51	95.51	-	-
EUR / INR Sell forward	27	-	38.00	-	172.65	-	153.78	-

* Computed using average forward contract rates

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2020		Year ended March 31, 2019	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) for the year				
USD	0.27	(0.27)	0.98	(0.98)
EUR	0.50	(0.50)	0.51	(0.51)
Impact on equity				
USD	19.60	(19.60)	6.99	(6.99)
EUR	3.31	(3.31)	0.43	(0.43)

B. Interest Rate Risk Management

Interest rate risk arises from movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings. The Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts, calculated by reference to an agreed principal amount outstanding at the time of inception of the swap. Out of the total long term borrowings, the amount of fixed interest loan is ₹ 838 Crores and floating interest loan is ₹ 1,026 Crores (Previous year: Fixed interest loan ₹ 853 Crores and Floating interest loan ₹ 1215 Crores).

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate long term borrowings, as follows:

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(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2020		Year ended March 31, 2019	
	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %
Increase in profit before tax by	1.48	1.09	2.09	1.20

In case of increase in interest rate by above mentioned percentage, there would be a comparable negative impact on the profit before tax as mentioned above.

Interest Rate Swap Contracts

Under interest rate swap (IRS) contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on the agreed notional principal amounts. Such contracts enables the Company to mitigate the risk of changing interest rates.

The following table details the IRS contracts outstanding at the end of the reporting period:

Outstanding Contracts	No. of Deals		Contract Value of Foreign Currency (In Millions)		Maturity			
					Up to 12 months Nominal Amount* (₹ Crores)		More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
IRS Contracts*	3	4	15.05	23.13	26.71	54.24	86.99	105.58

* Sensitivity on the above IRS contracts in respect of interest rate exposure is insignificant

Each of the above trades are in the nature of cash flow hedges and are effective hedges. The mark to market on these trades is therefore routed through Cash flow Hedge Reserve. The interest rate swap and the interest payments on the loan are paid simultaneously and are charged off to the statement of profit and loss.

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(All amounts in ₹ Crores, unless otherwise stated)

C. Hedge accounting

Cash flow hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2020				As at March 31, 2019			
	Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in OCI	Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in OCI
Foreign exchange contracts	2,224.80	(65.62)	Other financial liabilities (current and non - current)	(92.75)	769.88	27.13	Other financial assets (current and non - current)	22.58
Foreign currency denominated loans	955.86	(955.86)	Non current borrowing	(65.90)	733.38	(733.38)	Non current borrowing	35.25
Interest rate swap contacts	113.70	(2.42)	Other financial liabilities (current and non - current)	(6.14)	159.82	3.72	Other financial assets (current and non - current)	(3.33)

Fair flow hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2020				As at March 31, 2019			
	Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in statement of profit and loss	Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in statement of profit and loss
Foreign exchange contracts	76.58	(0.06)	Other financial liabilities (current and non - current)	(3.46)	151.45	3.40	Other financial assets (current and non - current)	1.97

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

38.3.2 Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables, loans and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with counterparties who meet the parameters specified in Investment Policy of the Company. The investment policy is reviewed by the Company's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as to minimize the concentration of risks and therefore mitigate financial loss due to counterparty's potential failure.

Expected credit loss on financial assets:

To manage credit risk for trade receivables, the Company establishes credit approvals and credit limits, periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on these financial assets other than as detailed below.

Loss allowance for the following financial assets have been recognised by the Company:

	Note No.	As at March 31, 2020	As at March 31, 2019
Loans - non-current	6	-	0.07
Loans - current	6	2.74	2.74
Trade receivables	10	2.46	1.64
		5.20	4.45

Movement of loss allowance :

	Loans (current and non current)	Trade receivables
As at March 31, 2018	2.90	1.11
Provided during the year	1.07	0.77
Reversed during the year	(1.16)	(0.24)
As at March 31, 2019	2.81	1.64
Provided during the year	0.31	1.56
Reversed during the year	(0.38)	(0.74)
As at March 31, 2020	2.74	2.46

Other than financial assets mentioned above, none of the Company's financial assets are impaired, as there are no indications that defaults in payments obligation would occur.

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

38.3.3 Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the Company to meet its financial obligations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of money market instruments, bank overdrafts, bank loans, debentures and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director, Chief Financial Officer and Treasury Head. The Company assesses the concentration of risk with respect to refinancing its debt, guarantee given and funding of its capital expenditure needs of the future. The Company manages its liquidity by holding appropriate volumes of liquid assets which are available for its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyze the Company's financial liabilities into relevant maturity profiles based on their contractual maturities:

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2020				
Borrowings*	1,546.99	1,097.22	20.22	2,664.43
Lease Liabilities	13.71	40.96	33.02	87.69
Trade payables	957.44	-	-	957.44
Other financial liabilities	149.53	22.87	-	172.40
	2,667.67	1,161.05	53.24	3,881.96

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2019				
Borrowings*	1,408.20	1,557.16	137.76	3,103.12
Lease Liabilities	-	-	-	-
Trade payables	1,092.15	-	-	1,092.15
Other financial liabilities	145.44	-	-	145.44
	2,645.79	1,557.16	137.76	4,340.71

* including current maturity of non-current borrowings

39. Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers:

Contract assets	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	25.52	-
Increase as a result of changes in measure of progress	-	25.52
Transfer from contract assets recognised at the beginning of the year to receivables	25.52	-
	-	25.52

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Contract liability	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	14.74	28.72
Revenue recognised that was included in the contract liability balance at the beginning of the period	(14.74)	(28.72)
Increase due to cash received, excluding the amount recognised as revenue during the period	10.75	14.74
	10.75	14.74

40. Discontinued operations

(a) Description:

On May 11, 2019, the Company entered into a business transfer agreement for sale of its Engineering Plastics Business, which has been divested with effect from August 1, 2019. The business was reported under "Others segment" in accordance with the requirements of Ind AS 108 – "Operating Segments" in the financial statements till previous year. The relevant financial information of the said business has been disclosed under discontinued operations in terms of Ind AS 105- "Non-current assets held for sale and discontinued operations" as below:

(b) Financial performance and Cash flow information:

Sl. no.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
I	(a) Sale of products	74.87	252.62
	(b) Other operating revenues	0.26	1.13
	(c) Revenue from operations {I(a)+I(b)}	75.13	253.75
	(d) Other income	-	0.19
	(e) Total income {I(c)+I(d)}	75.13	253.94
	(f) Total expenses	67.05	229.87
	(g) Profit before tax for the period from discontinued operations {I(e)-I(f)}	8.08	24.07
	(h) Tax expense related to discontinued operations	2.82	8.41
	(i) Net Profit after tax for the period from discontinued operations {I(g)-I(h)}	5.26	15.66
II	(a) Profit before tax on disposal of discontinued operations	233.74	-
	(b) Tax expense related to disposal of discontinued operations	58.41	-
	(c) Net Profit after tax on disposal of discontinued operations {II(a)-II(b)}	175.33	-
III	Net Profit after tax for the period from discontinued operations {I(i)+II(c)}	180.59	15.66
IV	Net cash generated from operating activities	17.29	13.06
V	Net cash generated from / (used in) investing activities	268.92	(4.53)
VI	Net cash used in financing activities	(0.14)	(0.87)

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

(c) Revenue from major products

	Year ended March 31, 2020	Year ended March 31, 2019
Nylon/ PBT/ PC compounding chips	74.87	252.62

(d) Details of disposal of discontinued operations:

	Year ended March 31, 2020
Proceeds from slump sale of business	315.77
Carrying amount of net assets transferred	(76.32)
Costs incurred on slump sale of business	(5.71)
Profit before tax on disposal of discontinued operations	233.74
Tax expense related to disposal of discontinued operations	(58.41)
Net Profit after tax on disposal of discontinued operations	175.33

(e) The carrying amounts of assets and liabilities as at the date of sale were as follows:

	As at July 31, 2019
Property, plant and equipment	44.86
Goodwill	0.79
Intangible assets	0.22
Inventory	25.07
Trade receivables	25.27
Other assets	0.42
Total assets	96.63
Trade payables	(19.59)
Other liabilities and provisions	(0.72)
Total liabilities	(20.31)
Net assets transferred	76.32

- (f) Pursuant to requirements of Ind AS 105, the amounts in the statement of profit and loss (and notes 22 to 28) for the current year and the previous year have been presented for continuing operations, as if the operations had been discontinued from the start of the previous year, as applicable, unless otherwise stated.

41. Additional Disclosures

(a) Research and Development Expenditure

The details of research and development expenditure of ₹ 132.77 Crores (Previous year: ₹ 104.40 Crores) included in these financial statements are as under:

	Year ended March 31, 2020	Year ended March 31, 2019
Capital expenditure	33.09	4.06
Revenue expenditure	99.68	100.34
	132.77	104.40

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

The details of revenue expenditure incurred on research and development is as below:

	Year ended March 31, 2020	Year ended March 31, 2019
Cost of material consumed	1.51	2.46
Salaries and wages, including bonus	37.85	34.96
Contribution to provident and other funds	2.45	2.03
Workmen and staff welfare expenses	3.62	3.07
Stores and spares consumed	6.15	8.45
Power and fuel	7.74	7.24
Rent	0.04	1.28
Repairs and maintenance		
- Buildings	-	0.01
- Plant and machinery	10.86	9.33
- Others	1.26	1.55
Insurance	0.87	0.38
Rates and taxes	0.04	0.08
Travelling and conveyance	1.27	1.45
Legal and professional charges	3.95	4.13
Depreciation and amortisation expense	19.09	18.60
Interest cost	0.36	-
Miscellaneous expenses	2.62	5.32
	99.68	100.34

(b) Managerial Remuneration

i)	Year ended March 31, 2020	Year ended March 31, 2019
(a) Remuneration to Chairman/ Managing Director/ Deputy Managing Director/ Whole time Director		
Salary and contribution to provident and other funds	11.05	7.44
Value of perquisites	2.26	3.53
Commission	9.50	6.50
Sub-Total	22.81	17.47
(b) Remuneration to Non Executive Directors		
Commission	0.72	0.50
Directors' sitting fees	0.21	0.21
Other fees	0.12	0.13
Sub-Total	1.05	0.84
Total	23.86	18.31

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

ii) Computation of managerial remuneration in accordance with section 197 of the Companies Act, 2013

	Year ended March 31, 2020	Year ended March 31, 2019
Profit before taxation	1,022.30	693.11
Add:		
Managerial remuneration including commission	23.86	18.31
Loss/ write off of fixed assets as per accounts	2.87	1.53
Provision for doubtful debts/ advances/ investments	0.86	0.55
Sub Total	27.59	20.39
Less:		
Profit on sale of fixed assets as per accounts	12.76	-
Profit on disposal of discontinued operations	233.74	-
Net Gain on financial assets measured at FVTPL	9.38	11.93
Excess Provision written back	2.82	4.99
Sub Total	258.70	16.92
Profit as per section 197 of the Companies Act, 2013	791.19	696.58
Maximum remuneration as commission and/ or salary including perquisites @ 10% of net profit of ₹ 791.19 Crores (Previous year: ₹ 696.58 Crores) which can be paid to Managing Directors/ Whole time Directors under section 197 of the 2013 Act	79.12	69.66
Remuneration paid/ payable to Managing Directors / Whole Time Directors	22.81	17.47
Maximum remuneration payable to Non-Executive Directors @ 1% of net profit of ₹ 791.19 Crores (Previous year: ₹ 696.58 Crores) under section 197 of the 2013 Act	7.91	6.97
Remuneration paid/ payable to Non-Executive Directors	1.05	0.84

- (c) The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13 AA of Ind AS 101. Accordingly, exchange loss/ (gain) arising on all long term monetary items financed or re-financed on or before March 31, 2016 relating to acquisition of following depreciable assets are added to/ adjusted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of such assets.

Exchange loss/ (gain) added/ (adjusted)	Year ended March 31, 2020	Year ended March 31, 2019
Property, plant and equipment		
- Plant and equipment	32.97	62.54
	32.97	62.54
Other Intangible Assets		
- Trade marks/ Brands	0.33	1.95
- Technical knowhow	0.19	1.14
- Others	0.09	0.56
	0.61	3.65

The cumulative exchange loss/ (gain) added/ (adjusted) and remaining unamortised as at March 31, 2020 is ₹ 153.11 Crores (Previous year: ₹ 132.49 Crores).

Notes to the Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

(d) Details of loans and investments given on behalf of other companies are as under: -

Entity	Nature of Guarantee	Purpose
Guarantee details	Refer note 31 (d) above	To secure the financial facilities sanctioned to subsidiaries by banks and other companies.

(e) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2020 is to be conducted on or before due date of the filing of return and the Company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

(f) The Company was required to spend ₹ 12.00 Crores (Previous year: ₹ 10.38 Crores) on corporate social responsibility activities under section 135 of the Companies Act, 2013 out of which ₹ 12.00 Crores (Previous year: ₹ 10.38 Crores) has been spent.

(g) In March 2020, the World Health Organization declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lockdown on March 25, 2020, which has impacted the business activities of the Company. The Company has assessed the impact that may result from this pandemic on its liquidity position, carrying amounts of receivables, inventories, tangible and intangible assets, investments, and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has considered internal and external information available till the date of approval of these financial statements and has assessed its situation.

In that context and based on the current estimates, the Company believes that COVID-19 is not likely to have any material impact on its financial statements, liquidity or ability to service its debt or other obligations. However, the overall economic environment, being uncertain due to COVID-19, may affect the underlying assumptions and estimates in future, which may differ from those considered as at the date of approval of these financial statements. The Company would closely monitor such developments in future economic conditions and consider their impact on the financial statements of the relevant periods.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place : Delhi
Date : June 4, 2020

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
DIN - 00694766
Place : Delhi

Rahul Jain
President & CFO
Place : Gurugram

Ashish Bharat Ram
Managing Director
DIN - 00671567
Place : Gurugram

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557
Place : Delhi
Rajat Lakhnpal
Vice President
(Corporate Compliance)
and Company Secretary
Place : Gurugram

Independent Auditors' Report

To the Members of

SRF Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of SRF Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant 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 of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

The key audit matter

Accounting for derivatives

An important element of Group's fund-raising strategy involves various types of borrowings including foreign currency denominated borrowings and a combination of fixed and floating interest rates. The Group's operating activities are also exposed to significant foreign exchange risk (refer to note 40 of the consolidated financial statements).

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated 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 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:

How the matter was addressed in our audit

In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:

- Tested the design, implementation and operating effectiveness of controls over the Group's treasury and other related functions which directly impact the relevant account balances and transactions, including hedge accounting.

The key audit matter

The Group uses derivative financial instruments to mitigate foreign currency risk and interest rate risk primarily through foreign currency forward exchange contracts and interest rate swaps.

Further, the Group has been using hedge relationship designation as per criteria set out in relevant Indian accounting standards.

Accounting thereof and related presentation and disclosures of these transactions require significant judgement.

Given the significant level of judgement and estimation involved and the quantitative significance, we have determined this to be a key audit matter.

Impact of adopting the new income tax regime

See notes 9 and 31 to the consolidated financial statements.

With effect from financial year 2019-2020, the Income Tax Act provides an option of paying income taxes at a lower rate subject to complying with certain prescribed conditions ('new tax regime'). The Group has opted to shift to the new tax regime from a financial year in the future.

Accordingly, the deferred tax balances which are expected to reverse subsequent to the Holding Company shifting to the new tax regime in the specified future year were remeasured and the consequential amount was recognised in the Consolidated Statement of Profit and Loss of the current year. This amount is considered to be significant.

The determination of the point in time at which the Holding Company would shift to the new tax regime involves significant judgement and estimation [including, consideration of uncertainties associated with COVID 19 pandemic, refer note 46(e)], regarding forecasting future taxable profits and realisation of MAT credit entitlement (an item of deferred tax assets). Since the impact of remeasurement of deferred tax balances as stated above is sensitive to these judgements and estimates, it affects the amount of deferred tax balances (including MAT credit) that are reversed in the Consolidated Statement of Profit and Loss of the current year.

Given the significant level of judgement involved and the quantitative significance, we have determined this to be a key audit matter.

How the matter was addressed in our audit

- For selected samples, obtained external confirmations from counterparties of the year end positions as well as agreed to original agreements.
- Performed sample tests of valuation and accounting of these transactions. In doing so we have involved valuation specialists to assist us in carrying out aforesaid procedure, as considered necessary.
- Assessed the adequacy of disclosures in the financial statements in respect of both non-derivative and derivative financial instruments.

In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:

- Examined the implications of the new provisions on the tax position of the Holding Company to assess the impact of adopting the new tax regime from the specified future financial year.
- Obtained budgets/ business plans, underlying the projections prepared by the Holding Company
- Challenged key assumptions used in the projections based on business plans, historical data and trends, based on our knowledge of business.
- Assessed the recoverability of MAT credit entitlement (an item of deferred tax assets) against the forecast future taxable profits.
- Assessed the adequacy of related disclosures in the consolidated financial statements.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (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 adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were

operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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 each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

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 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors;
- conclude on the appropriateness of Management's and Board of Director's use of the going concern basis of accounting in preparation of consolidated 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 appropriateness of this assumption. 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; and
- obtain sufficient appropriate audit evidence regarding the financial information of such

entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the 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 para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 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 auditors' 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 Matters

- (a) We did not audit the financial information of seven subsidiaries whose financial information reflect total assets of ₹ 2,813.91 crores (before consolidation adjustments) as at 31 March 2020, total revenues of ₹ 1,009.47 crores (before consolidation adjustments) and net cash flows amounting to ₹ 8.58 crores for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the audit reports of the other auditors.

Certain of 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. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified

in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

- A. 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 such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' 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 purposes of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account 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 the 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, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors

of the Group companies incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act; and

- f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

- i. the consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements;
- ii. provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 40 to the consolidated financial statements in respect of such items as it relates to the Group;
- iii. there have been no delays in transferring amounts to the Investor Education and

Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2020; and

- iv. the disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditors of the subsidiary Company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limits laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

Kaushal Kishore

Partner

Place: Delhi

Membership No. 090075

Date: 4 June 2020

UDIN: 20090075AAAAK9460

Annexure A to the Independent Auditors' report on the consolidated financial statements of SRF Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

[Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Opinion

In conjunction with our audit of the consolidated financial statements of SRF Limited as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of SRF Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 the respective 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 controls with reference to consolidated financial statements include 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

Kaushal Kishore

Partner

Place: Delhi

Membership No. 090075

Date: 4 June 2020

UDIN: 20090075AAAAAK9460

Consolidated Balance Sheet

as at March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	6,022.93	5,496.45
Right-of-use assets	43	227.58	-
Capital work-in-progress		1,393.29	753.61
Goodwill	5	0.62	4.08
Other intangible assets	6	116.46	108.86
Financial assets			
(i) Investments	7	4.16	0.11
(ii) Loans	8	43.87	34.05
(iii) Other financial assets	10	15.86	4.71
Deferred tax assets	9	14.26	-
Non current tax assets (net)	22	35.03	19.00
Other non-current assets	11	96.50	294.74
Total non-current assets		7,970.56	6,715.61
Current assets			
Inventories	12	1,201.23	1,224.74
Financial assets			
(i) Investments	7	198.50	100.49
(ii) Trade receivables	13	891.07	1,028.75
(iii) Cash and cash equivalents	14	116.44	189.55
(iv) Bank balances other than above	15	9.03	9.33
(v) Loans	8	25.17	11.18
(vi) Other financial assets	10	170.38	200.38
Current tax assets (net)	22	1.74	-
Other current assets	11	280.80	407.87
Total current assets		2,894.36	3,172.29
Assets classified as held for sale	42	11.84	-
TOTAL ASSETS		10,876.76	9,887.90
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	58.50	58.50
Other equity	17	4,874.82	4,070.77
Total equity		4,933.32	4,129.27

Consolidated Balance Sheet (Contd.)

as at March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	2,311.63	2,161.34
(ii) Lease liabilities	43	73.98	-
(iii) Other financial liabilities	21	22.87	-
Provisions	19	37.53	38.10
Deferred tax liabilities (net)	9	175.50	341.98
Other non-current liabilities	23	14.00	18.53
Total non-current liabilities		2,635.51	2,559.95
Current liabilities			
Financial liabilities			
(i) Borrowings	18	955.44	1,127.39
(ii) Lease liabilities	43	13.71	-
(iii) Trade payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		30.36	18.24
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,081.33	1,364.18
(iv) Other financial liabilities	21	1,124.54	602.49
Other current liabilities	23	86.18	70.59
Provisions	19	6.62	5.96
Current tax liabilities (Net)	22	9.75	9.83
Total current liabilities		3,307.93	3,198.68
Total Liabilities		5,943.44	5,758.63
TOTAL EQUITY AND LIABILITIES		10,876.76	9,887.90

Summary of significant accounting policies

1-3

See accompanying notes to the consolidated financial statements

4 to 46

As per our report of even date attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration no.

101248W / W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place : Delhi

Date : June 4, 2020

Arun Bharat Ram

Chairman

DIN - 00694766

Place : Delhi

Ashish Bharat Ram

Managing Director

DIN - 00671567

Place : Gurugram

Kartik Bharat Ram

Deputy Managing Director

DIN - 00008557

Place : Delhi

Bharti Gupta Ramola

Director

DIN - 00356188

Place : Gurugram

Rahul Jain

President & CFO

Place : Gurugram

Rajat Lakhnpal

Vice President

(Corporate Compliance)
and Company Secretary

Place : Gurugram

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I Revenue from operations	24	7,209.41	7,099.59
II Other income	25	49.05	27.97
III Total Income (I + II)		7,258.46	7,127.56
IV Expenses			
Cost of materials consumed	26.1	3,687.39	3,992.61
Purchases of stock-in-trade	26.2	91.40	48.55
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26.3	(91.82)	(74.03)
Employee benefits expense	27	541.92	460.79
Finance costs	28	200.68	198.37
Depreciation and amortisation expense	29	388.61	358.17
Other expenses	30	1,525.58	1,374.67
Total Expenses (IV)		6,343.76	6,359.13
V Profit before tax from continuing operations (III - IV)		914.70	768.43
VI Tax expense related to continuing operations	31		
Current tax		104.26	139.83
Deferred tax			
MAT credit entitlement		(36.73)	(87.11)
Others		(68.73)	124.13
Total tax expense related to continuing operations		(1.20)	176.85
VII Profit for the year from continuing operations (V - VI)		915.90	591.58
VIII Profit before tax from discontinued operations	42	155.85	58.46
IX Tax expense of discontinued operations	31	52.66	8.41
X Profit for the year from discontinued operations (VIII - IX)		103.19	50.05
XI Total Profit for the year (VII + X)		1,019.09	641.63
XII Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans	17.2, 36.2	(8.25)	(1.49)
(ii) Income tax relating to items that will not be reclassified to profit or loss	17.2, 32	2.86	0.62
B (i) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations	17.8	(10.67)	(24.69)
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	17.3	(160.53)	50.25
(ii) Income tax on items that will be reclassified to profit or loss	32	57.58	(19.05)
Total other comprehensive income for the year, net of taxes (A(i+ii) + B(i+ii))		(119.01)	5.64

Consolidated Statement of Profit and Loss (Contd.)

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
XIII Total comprehensive income for the year (X + XI)		900.08	647.27
Basic and Diluted earning per equity share in ₹	39		
From continuing operations		159.34	102.95
From discontinued operations		17.95	8.71
From continuing and discontinued operations		177.29	111.66
Summary of significant accounting policies	1-3		
See accompanying notes to the consolidated financial statements	4 to 46		

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration no.

101248W / W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place : Delhi

Date : June 4, 2020

For and on behalf of the Board of Directors

Arun Bharat Ram

Chairman

DIN - 00694766

Place : Delhi

Bharti Gupta Ramola

Director

DIN - 00356188

Place : Gurugram

Ashish Bharat Ram

Managing Director

DIN - 00671567

Place : Gurugram

Rahul Jain

President & CFO

Place : Gurugram

Kartik Bharat Ram

Deputy Managing Director

DIN - 00008557

Place : Delhi

Rajat Lakhanpal

Vice President

(Corporate Compliance)
and Company Secretary

Place : Gurugram

Consolidated Cash Flow Statement

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax		
- Continuing Operations	914.70	768.43
- Discontinued Operations	155.85	58.46
Adjustments for:		
Finance costs	201.56	201.60
Interest income	(15.11)	(4.49)
Net (gain) / loss on sale of property, plant and equipment	(12.76)	-
Net gain on financial assets measured at fair value through profit and loss	(9.38)	(11.93)
Credit impaired assets provided / written off	2.18	2.23
Amortisation of grant income	(3.37)	(0.78)
Depreciation and amortisation expense	392.90	366.87
Property, plant and equipment and inventory discarded / provided	74.58	1.95
Provision / liabilities no longer required written back	(4.47)	(11.00)
Amortisation of upfront payment for leasehold land	-	1.48
Net unrealised currency exchange fluctuations loss /(gain)	7.15	(11.06)
Profit on sale of business	(233.74)	-
Employee share based payment expense	0.97	0.64
Adjustments for (increase) /decrease in operating assets :-		
Trade receivables	140.75	(350.33)
Inventories	5.26	(267.34)
Loans (current)	(19.38)	3.28
Loans (non-current)	(9.84)	(3.32)
Other assets (current)	132.80	(32.81)
Other assets (non-current)	10.10	(22.35)
Adjustments for increase / (decrease) in operating liabilities :-		
Trade payables	(272.01)	338.18
Provisions	(1.34)	17.09
Other liabilities (non-current)	(0.17)	(14.95)
Other liabilities (current)	(10.08)	16.02
Cash generated from operations	1,447.15	1,045.87
Income taxes paid (net of refunds)	(142.71)	(150.23)
Net cash generated from operating activities	1,304.44	895.64
B CASH FLOW FROM INVESTING ACTIVITIES		
Net Proceeds/ (purchases) of mutual funds	(88.63)	33.15
Purchase of current investments (others)	(4.05)	-
Proceeds from sale of business	315.77	-
Costs incurred on sale of business	(5.71)	-
Income tax paid on profit from sale of business	(40.84)	-
Interest received	15.56	4.49
Bank balances not considered as cash and cash equivalents	0.52	0.82
Payment for purchase of property, plant, equipment, capital work-in-progress and intangible assets	(1,389.16)	(1,056.38)
Proceeds from disposal of property, plant and equipment	16.21	3.74
Net cash used in investing activities	(1,180.33)	(1,014.18)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	0.06
Proceeds from borrowings (Non-current)	1,277.92	1,182.25
Repayment of borrowings (Non-current)	(957.47)	(914.51)
Net proceeds / (repayment) from borrowings (Current)	(199.75)	285.67
Dividends on equity share capital paid	(80.32)	(69.41)
Corporate dividend tax paid	(16.54)	(14.19)
Payment towards lease liability	(18.87)	-
Finance costs paid	(203.96)	(224.10)
Net cash (used in) / generated from financing activities	(198.99)	245.77

Consolidated Cash Flow Statement (Contd.)

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
D EFFECT OF EXCHANGE RATE CHANGES	1.77	(24.69)
Net movement in cash and cash equivalents	(73.11)	102.54
Cash and cash equivalents at the beginning of the year	189.55	87.01
Cash and cash equivalents at the end of the year (Refer to note 14)	116.44	189.55

Notes:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) -7 on "Statement of Cash Flows"
- During the year, the Company paid in cash ₹ 12.00 crores (Previous year: ₹ 10.38 crores) towards corporate social responsibility (CSR) expenditure.
- For cash flow information of discontinued operations, Refer note 42.
- The following table disclose changes in liabilities arising from historical activities including both cash and non cash changes.

Particulars	As at March 31, 2019	Cash flow from financing activities	Non-cash changes	As at March 31, 2020
			Upfront fees amortised Exchange fluctuation changes #	
Equity share capital	58.50	-	-	58.50
Non current borrowings*	2,602.80	320.45	3.42	3,091.38
Current borrowings	1,127.39	(199.75)	27.80	955.44
Interest accrued	31.54	(203.96)	-	29.14
Lease liability	-	(18.87)	-	87.70
Dividend and taxes thereon	5.89	(96.86)	-	6.04
Total	3,826.12	(198.99)	3.42	4,228.20

Particulars	As at March 31, 2018	Cash flow from financing activities	Non-cash changes	As at March 31, 2019
			Upfront fees amortised Exchange fluctuation changes #	
Equity share capital	58.44	0.06	-	58.50
Non current borrowings*	2,291.05	267.74	3.87	2,602.80
Current borrowings	850.78	285.67	(9.06)	1,127.39
Interest accrued	25.08	(224.10)	-	31.54
Dividend and taxes thereon	6.32	(83.60)	-	5.89
Total	3,231.67	245.77	3.87	3,826.12

*including current maturity of long term debts

^Including taxes on dividend

#including amount capitalized

Summary of significant accounting policies

See accompanying notes to the consolidated financial statements

1-3

4 to 46

As per our report of even date attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration no.

101248W / W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place : Delhi

Date : June 4, 2020

Arun Bharat Ram

Chairman

DIN - 00694766

Place : Delhi

Ashish Bharat Ram

Managing Director

DIN - 00671567

Place : Gurugram

Kartik Bharat Ram

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Director

DIN - 00356188

Place : Gurugram

Rahul Jain

President & CFO

Place : Gurugram

Rajat Lakhnpal

Vice President

(Corporate Compliance)

and Company Secretary

Place : Gurugram

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at March 31, 2018	58.44
Changes in equity share capital during the year	0.06
Balance at March 31, 2019	58.50
Changes in equity share capital during the year	-
Balance at March 31, 2020	58.50

(b) Other Equity

	Reserves and Surplus*					Items of other comprehensive income*			
	Capital reserve	General reserve	Capital redemption reserve	Debenture redemption reserve	Employee share based payment reserve	Retained earnings	Foreign currency translation reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedge
Balance at March 31, 2018	193.77	573.77	10.48	75.00	-	2,643.41	20.69	(4.22)	(6.81)
Profit for the year	-	-	-	-	-	641.63	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(0.87)	(24.69)	-	31.20
Total comprehensive income for the year	-	-	-	-	-	640.76	(24.69)	-	31.20
Payment of dividend (₹ 12 per share)	-	-	-	-	-	(68.98)	-	-	-
Tax on Dividend	-	-	-	-	-	(14.19)	-	-	-
Transfer from Debenture redemption reserve	-	-	-	-	-	-	-	-	-
Employee share based payments to employees	-	-	-	-	0.58	-	-	-	-
Balance at March 31, 2019	193.77	573.77	10.48	75.00	0.58	3,201.00	(4.00)	(4.22)	24.39
Profit for the year	-	-	-	-	-	1,019.09	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(5.39)	(10.67)	-	(102.95)
Total comprehensive income for the year	-	-	-	-	-	1,013.70	(10.67)	-	(102.95)
Payment of dividend (₹ 14 per share)	-	-	-	-	-	(80.47)	-	-	-
Tax on Dividend	-	-	-	-	-	(16.54)	-	-	-
Employee share based payments to employees	-	-	-	-	0.98	-	-	-	-
Balance at March 31, 2020	193.77	573.77	10.48	75.00	1.56	4,117.69	(14.67)	(4.22)	(78.56)

* Refer note 17

Summary of significant accounting policies 1-3
See accompanying notes to the consolidated financial statements 4 to 46

As per our report of even date attached For and on behalf of the Board of Directors

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration no.

101248W / W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place : Delhi

Date : June 4, 2020

Arun Bharat Ram

Chairman

DIN - 00694766

Place : Delhi

Ashish Bharat Ram

Managing Director

DIN - 00671567

Place : Gurugram

Kartik Bharat Ram

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Place : Delhi

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Director

DIN - 00356188

Place : Gurugram

Rahul Jain

President & CFO

Place : Gurugram

Rajat Lakhnopal

Vice President

(Corporate Compliance)

and Company Secretary

Place : Gurugram

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

1 CORPORATE INFORMATION

SRF Limited ("the Company") is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's equity shares are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 and 237, Second Floor, Mayur Vihar Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110091. The Company's parent and ultimate holding group is KAMA Holdings Limited.

The principal activities of the Company and its subsidiaries (together the Group) are manufacturing, purchase and sale of technical textiles, chemicals, packaging films and other polymers.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on June 04, 2020.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provisions of the Act.

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation

- Share based payments

The functional currency of the Company is 'INR' and its subsidiaries are their respective local currencies. The financial statements are presented in INR and all values are rounded to the nearest crores, except when otherwise indicated.

The consolidated financial statements incorporate the financial statements of the holding group and its subsidiaries. Control is achieved when the group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the group gains control until the date when the group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Necessary adjustments are made in the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies if any.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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The subsidiaries considered in the preparation of these consolidated financial statements are: -

Name of subsidiary	Country of incorporation	Proportion of ownership as at March 31, 2020	Proportion of ownership as at March 31, 2019
Indian Subsidiaries			
SRF Holiday Home Limited	India	100%	100%
SRF Employees Welfare Trust	India	*	*
Foreign Subsidiaries			
SRF Global BV	Netherlands	100%	100%
SRF Europe Kft (100% subsidiary of SRF Global BV)	Hungary	100%	100%
SRF Industries (Thailand) Limited (100% subsidiary of SRF Global BV)	Thailand	100%	100%
SRF Industex Belting (Pty) Limited (100% subsidiary of SRF Global BV)	Republic of South Africa	100%	100%
SRF Flexipak (South Africa) (Pty) Limited (100% subsidiary of SRF Global BV)	Republic of South Africa	100%	100%

*By virtue of management control under Ind As-24 "Related party disclosures"

The group owns 22.60% (Previous year – 22.60%) in Malanpur Captive Power Limited and the same has not been considered for the purposes of consolidation, since the group does not exercise significant influence over Malanpur Captive Power Limited.

The group owns 26.32% (Previous year – 26.32%) in Vaayu Renewable Energy (Tapti) Private Limited and the same has not been considered for the purposes of consolidation, since the group does not exercise significant influence over Vaayu Renewable Energy (Tapti) Private Limited.

The principal accounting policies are set out below.

2.2 Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and

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their realisation in cash and cash equivalents, the group has identified twelve months as its operating cycle for the purpose of current / non current classification of assets and liabilities.

2.3 Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

All items of property plant and equipment have been measured at fair value at the date of transition to Ind AS. The Group have opted such fair valuation as deemed cost at the transition date i.e. April 1, 2015.

Cost of acquisition or construction is inclusive of freight, duties, non recoverable taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets, upto the date of commissioning of the assets

Likewise, when a major inspection for faults is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items of property, plant and equipment and depreciated accordingly.

Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Capital Work in Progress: Project under which assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the group intends to use these for more than a period of 12 months.

2.4 Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation has been provided on the cost of assets less their residual values on straight line method on the basis of estimated useful life of assets determined by the Group which are different from the useful life as prescribed in Schedule II of the 2013 Act. The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. and are as under:

Roads	40-50 years
Buildings (including temporary structures)	5-60 years
Plant and equipment	2-40 years
Furniture and fixtures	15 years
Office equipment	3-20 years
Vehicles	4-5 years

Freehold land is not depreciated.

Depreciation is calculated on a pro rata basis except, assets costing upto ₹ 5,000 each, which are fully depreciated in the year of purchase.

An item of property, plant and equipment or any significant part initially recognised of such item of property plant and equipment is derecognised

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upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives considered are as follows:

Trademarks / Brand	10-30 years
Technical Knowhow	30-40 years
Software	3 years
Other intangibles	2.5-8 years

The group has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

The amortisation period and the amortisation method for an intangible asset with a finite useful

life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised on disposal or when no future economic benefit are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.6 Research and development expenditure

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes.

Such development costs are capitalised if they can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss

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unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

2.7 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.8 Impairment of tangible and intangible assets other than goodwill

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an 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 groups of assets.

Impairment loss is recognised When the carrying amount of an asset or CGU exceeds its recoverable amount. In such cases, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast, which are prepared separately for each of the group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 5 years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after 5th year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously

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recognised impairment losses no longer exist or have decreased. If such indication exists, the group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

2.9 Leasing

Effective April 1, 2019, the group has applied Ind AS 116 using modified retrospective approach and, therefore, the comparative information has not been restated and continues to be reported under Ind AS 17. The details of accounting policies under Ind AS 17 are disclosed separately, if they are different from those under Ind AS 116 and the impact of changes is disclosed in note 43.

Policy applicable from April 1, 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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 assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and

- the Group has the right to direct the use of the asset. The Group has this right when it has the decision- making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

This policy is applicable to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Group as lessee

The Group accounts for assets taken under lease arrangement in the following manner:

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight line method from the

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commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the basis of remaining lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before April 1, 2019

In the comparative period, a lease arrangement is classified as either a finance lease or an

operating lease, based on the substance of the lease arrangement.

Finance leases

Assets held under finance lease are initially recognised as assets at the fair value at the inception of lease or at the present value of the minimum lease payments, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases

Lease rental expenses from operating leases is generally recognised on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.10 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs incurred for the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

In case of a specific borrowing taken for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised shall be the actual borrowing costs incurred during the period less any interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset.

In case funds are borrowed generally and such funds are used for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised are calculated by applying the weighted average capitalisation rate on general borrowings outstanding during the period, to the expenditures incurred on the qualifying asset.

If any specific borrowing remains outstanding after the related asset is ready for its intended use, that borrowing is considered part of the funds that are borrowed generally for calculating the capitalisation rate.

2.11 Foreign Currencies

Transaction and balances

Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

- (i) Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the

closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to exchange differences arising from cash flow hedges to the extent that the hedges are effective and those covered below.

- (ii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016

Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance useful life of the assets.

- (iii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016

The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is treated in accordance with Ind AS 21/ Ind AS 109.

2.12 Inventories

Inventories are valued at cost or net realisable value, whichever is lower. The basis of determining the cost for various categories of inventory are as follows:

- (a) Raw materials, packing material and stores and spares including fuel - Cost

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includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.

- (b) Traded goods, Stock in progress and finished goods- Direct cost plus appropriate share of overheads and excise duty, wherever applicable
- (c) By products - At estimated realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Provisions and Contingent Liabilities

Provisions

The group recognised a provision when there is a present obligation (legal or constructive) as a result of past events and it is more likely than not that an outflow of resources would be required to settle the obligation and a reliable estimate can be made.

When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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 recognised as a finance cost.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

2.14 Revenue recognition

a) Sale of goods

Revenue from sale of products is recognised upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers. Service income is recognised as and when the underlying services are performed. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as sales tax/value added tax and goods and services tax and applicable discounts and allowances.

Any fees including upfront fees received in relation to contract manufacturing arrangements

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is recognised on straight line basis over the period over which the Group satisfies the underlying performance obligations. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash as per contractual terms. Advance from customers ("contract liability") is recognised when the group has received consideration from the customer before it delivers the goods.

b) Interest and dividend income

Interest income is recognised when it is probable that the economic benefits will flow to the group using the effective interest rate and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably).

c) Export incentive

The benefit accrued under the Duty Drawback scheme and other schemes as per the Export and Import Policy in respect of exports made under the said Schemes is included under the head "Revenue from Operations" under 'Export and other incentives'.

2.15 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

a) Current tax

Current 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, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss account i.e. in Other comprehensive income or equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the group has a legally enforceable right for such set off.

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 are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax relating to items recognised outside profit or loss is recognised in other comprehensive income or in equity.

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Deferred tax assets/liabilities are not recognised for below mentioned temporary differences:

- (i) At the time of initial recognition of goodwill;
- (ii) Initial recognition of assets or liabilities (other than in a business combination) at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- (iii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the group will pay normal income tax. Accordingly, MAT asset is recognised in the consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the group.

The group considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the group concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the group determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. However, if the group concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the group reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

2.16 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

A government grant that becomes receivable as compensation for expenses or losses incurred in a previous period. Such a grant is recognised in profit or loss of the period in which it becomes receivable.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the group recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants related to assets are presented in the consolidated balance sheet as deferred income and is recognised in profit or loss on a systematic basis over the expected useful life of the related assets.

2.17 Employee benefits

Short term employee benefits

Wages and salaries including non monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the related services are rendered and measured at the undiscounted amount expected to be paid

Defined contribution plans

Provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund, National pension scheme and Employees' State Insurance Corporation are defined contribution schemes. Contributions to such schemes are charged to the statement of profit and loss in the year when employees have rendered services entitling them to the contributions. The group has no obligation, other than the contribution payable to such schemes.

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Defined benefit plans

The group has defined benefit plan such as gratuity, provident fund for certain category of employees administered through a recognised provident fund trust and legal severance plans.

Provision for gratuity, provident fund for certain category of employees administered through a recognised provident fund trust and legal severance plans are determined on an actuarial basis at the end of the year and charged to consolidated statement of profit and loss, other than remeasurements. The cost of providing these benefits is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability and return on plan assets), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to consolidated statement of profit and loss in subsequent periods.

Other long term employee benefits

The group also has other long term benefits plan such as compensated absences and retention pay. Provision for compensated absences and long term retention pay are determined on an actuarial basis at the end of the year and charged to consolidated Statement of Profit and Loss. The cost of providing these benefits is determined using the projected unit credit method.

Share based payments

Equity settled share based payments to employees under SRF Long Term Share Based Incentive Plan (SRF LTIP) are measured at the fair value (which is the market price less exercise price) of the equity instruments on the grant date. This compensation cost relating to

employee stock purchase scheme is amortised over the remaining tenure over which the employees renders their service on a straight line basis.

2.18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.20 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.

A) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the group are classified in three categories:

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- a) At amortised cost
- b) At fair value through profit and loss (FVTPL)
- c) At fair value through other comprehensive income (FVTOCI)

Financial asset is measured at amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets not classified as measured at amortised cost or FVOCI as are measured at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income.

The group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the group has transferred substantially all the risks and rewards of the asset, or (ii) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred

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control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of financial assets

The group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

B) Financial liabilities and Equity instruments

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

The group's financial liabilities include borrowings and trade and other payables including derivative financial instruments.

Subsequent measurement

Borrowings

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction cost) and the redemption/repayment amount is recognised in profit and loss over the period of the borrowings using the Effective interest rate method.

Trade and other payables

Trade and other payables represent the liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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, to realise the assets and settle the liabilities simultaneously.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Equity Instruments

Equity Instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Debt or equity instruments issued by the group are classified as either financial liability or as equity in accordance with the substance of

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contractual arrangements and the definitions of a financial liabilities and an equity instruments.

2.21 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The group uses derivative financial instruments (such as forward currency contracts, interest rate swaps) or non derivative financial assets/liabilities to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit and loss when the hedge item affects profit and loss.

For the purpose of hedge accounting, hedges are classified as:

- a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.
- b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the group formally designates and documents the hedge relationship to which the group wishes to apply hedge accounting and the

risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the consolidated statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in consolidated profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in

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other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the consolidated statement of profit and loss.

The Group also designates certain non derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for the hedge of foreign currency risk associated with highly probable transactions and, accordingly, applies cash flow hedge accounting for such relationships.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in other comprehensive income remains separately in other equity until the forecast transaction occurs or the foreign currency firm commitment is met.

2.22 Fair value measurement

The group measures some of its financial instruments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- b) Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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- c) Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.23 Foreign Currency translation reserve

On consolidation, the assets and liabilities of foreign operations are translated into Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

2.24 Segment reporting

Based on “Management Approach” as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the group’s performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

2.25 Dividend

The group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.26 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The appropriate level of management must be committed to a plan to sell, an active programme to locate a buyer and complete the plan has been initiated, the sale is considered highly probable and is expected within one year from the date of classification.

Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other assets and liabilities in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

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A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale, and:

- a) Represents a separate major line of business or geographical area of operations,
- b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- c) Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit and loss.

2.27 Applicability of new and revised Ind AS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3 Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes.

- Leasing arrangement (classification and accounting) – Note 2.9
- Financial instruments - Note 2.20
- Fair value measurement – Note 2.22
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.4
- Recognition and estimation of tax expense including deferred tax– Note 2.15
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 2.17
- Estimated impairment of financial assets and non-financial assets – Note 2.20 and Note 2.8
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 2.13

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4 Property, Plant and Equipment

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Cost								
Balance at March 31, 2018	358.64	60.82	791.49	4,505.93	25.75	45.89	36.24	5,824.76
Additions/adjustments	-	3.87	61.25	803.83	2.20	13.61	8.91	893.67
Disposals/adjustments	-	-	(0.05)	(4.89)	(0.50)	(1.08)	(5.24)	(11.76)
Effect of foreign currency exchange differences	(0.73)	(0.70)	(8.02)	(33.57)	(0.18)	(0.21)	0.03	(43.38)
Balance at March 31, 2019	357.91	63.99	844.67	5,271.30	27.27	58.21	39.94	6,663.29
Additions/adjustments	26.16	11.68	44.50	910.77	2.70	8.90	9.35	1,014.06
Disposals/adjustments	(1.32)	(0.99)	(48.37)	(93.83)	(0.83)	(2.62)	(7.62)	(155.58)
Effect of foreign currency exchange differences	0.19	(0.46)	(4.52)	(6.14)	(0.13)	(0.19)	0.03	(11.22)
Balance at March 31, 2020	382.94	74.22	836.28	6,082.10	29.01	64.30	41.70	7,510.55
Accumulated depreciation								
Balance at March 31, 2018	-	4.30	66.72	707.74	6.72	20.78	13.74	820.00
Depreciation expenses								
- Continuing operations	-	1.58	22.81	306.35	2.37	8.47	7.13	348.71
- Discontinued operations	-	0.01	3.27	4.55	0.07	0.38	0.19	8.47
Disposals/adjustments	-	-	(0.02)	(2.70)	(0.09)	(0.79)	(3.28)	(6.88)
Effect of foreign currency exchange differences	-	(0.03)	(0.50)	(2.71)	(0.03)	(0.20)	0.01	(3.46)
Balance at March 31, 2019	-	5.86	92.28	1,013.23	9.04	28.64	17.79	1,166.84
Depreciation expenses								
- Continuing operations	-	2.26	23.23	320.83	2.27	8.09	7.71	364.39
- Discontinued operations	-	-	1.70	1.90	0.01	0.62	0.04	4.27
Disposals/adjustments	-	(0.36)	(14.49)	(24.46)	(0.19)	(2.07)	(4.75)	(46.32)
Effect of foreign currency exchange differences	-	(0.02)	(0.20)	(1.23)	(0.00)	(0.13)	0.02	(1.56)
Balance at March 31, 2020	-	7.74	102.52	1,310.27	11.13	35.15	20.81	1,487.62

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Carrying Amount								
Balance at March 31, 2018	358.64	56.52	724.76	3,798.19	19.04	25.12	22.51	5,004.78
Additions/adjustments	-	3.87	61.25	803.83	2.20	13.61	8.91	893.67
Disposals/adjustments	-	(0.01)	(0.03)	(2.18)	(0.41)	(0.29)	(1.96)	(4.88)
Depreciation expenses								
- Continuing operations	-	(1.58)	(22.81)	(306.35)	(2.37)	(8.47)	(7.13)	(348.71)
- Discontinued operations	-	(0.01)	(3.27)	(4.55)	(0.07)	(0.38)	(0.19)	(8.47)
Effects of foreign currency exchange differences	(0.73)	(0.66)	(7.52)	(30.86)	(0.16)	(0.02)	0.01	(39.94)
Balance at March 31, 2019	357.91	58.13	752.38	4,258.08	18.23	29.57	22.15	5,496.45
Additions/adjustments	26.16	11.68	44.50	910.77	2.70	8.90	9.35	1,014.06
Disposals/adjustments	(1.32)	(0.63)	(33.88)	(69.37)	(0.64)	(0.55)	(2.87)	(109.26)
Depreciation expenses								
- Continuing operations	-	(2.26)	(23.23)	(320.83)	(2.27)	(8.09)	(7.71)	(364.39)
- Discontinued operations	-	-	(1.70)	(1.90)	(0.01)	(0.62)	(0.04)	(4.27)
Effects of foreign currency exchange differences	0.19	(0.44)	(4.32)	(4.91)	(0.13)	(0.06)	0.01	(9.66)
Balance at March 31, 2020	382.94	66.48	733.75	4,771.84	17.88	29.15	20.89	6,022.93

Notes:

- Borrowing cost capitalised during the year ₹ 24.30 Crores (Previous year: ₹ 32.83 Crores) with a capitalisation rate ranging from 0.55% to 9.45% (Previous year: 4.36% to 8.80%)
- Out of the Industrial Freehold land measuring 32.41 acres at the group's plant in Gummidipoondi, the group does not have clear title to 2.43 acres.
- Capital expenditure incurred during the year includes ₹ 33.09 Crores (Previous year - ₹ 4.06 crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 46 (a) below.
- Refer to note 18.1 for information on PPE pledged as security by the group.
- Refer to note 46 (c) for additions/adjustments on account of exchange difference during the year.
- The group accounts for all capitalizations of property, plant and equipment through capital work in progress, and, therefore, the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted in additions to property, plant and equipment and intangible assets.
- Disposals/adjustments includes property plant and equipment of discontinued operations. Refer note 42 below.

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(All amounts in ₹ Crores, unless otherwise stated)

5. Goodwill

	Amount
Cost	
Balance at March 31, 2018	4.91
Additions	-
Disposals	-
Balance at March 31, 2019	4.91
Additions	-
Disposals	(0.79)
Balance at March 31, 2020	4.12

	Amount
Accumulated impairment losses	
Balance at March 31, 2018	0.83
Additions	-
Balance at March 31, 2019	0.83
Additions	2.67
Balance at March 31, 2020	3.50

Carrying Amount	As at March 31, 2020	As at March 31, 2019
SRF Industries Thailand Limited (Technical textile unit)	-	2.67
Engineering plastics units	-	0.79
Industrial yarn unit	0.62	0.62
	0.62	4.08

The group has allocated goodwill to the above mentioned cash generating units (CGU) and determined recoverable amount of this allocated goodwill using cash flow projections based on financial budget as approved by the directors of the Company.

SRF Industries (Thailand) Limited closed its Technical Textiles Business operations located at Rayong, Thailand in the current year, thus corresponding goodwill has been written off in the statement of consolidated profit and loss. (Previous year : Nil).

Disposals / impairment for the current year pertains to goodwill of discontinued operations. Refer note 42 below.

Notes to the Consolidated Financial Statements

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6. Other Intangible Assets

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at March 31, 2018	75.25	44.53	24.54	18.74	163.06
Additions / adjustments	1.95	1.14	2.17	0.56	5.82
Disposals/adjustments	-	-	-	-	-
Balance at March 31, 2019	77.20	45.67	26.71	19.30	168.88
Additions / adjustments	0.33	10.51	4.39	0.09	15.32
Disposals/adjustments	-	(0.99)	(0.35)	-	(1.34)
Balance at March 31, 2020	77.53	55.19	30.75	19.39	182.86
Accumulated amortisation					
Balance at March 31, 2018	11.03	3.71	17.19	18.40	50.33
Amortisation expenses					
- Continuing operations	3.12	1.32	5.02	-	9.46
- Discontinued operations	-	0.20	0.03	-	0.23
Disposals/adjustments	-	-	-	-	-
Balance at March 31, 2019	14.15	5.23	22.24	18.40	60.02
Amortisation expenses					
- Continuing operations	2.61	1.71	3.06	0.10	7.48
- Discontinued operations	-	-	0.02	-	0.02
Disposals/adjustments	-	(0.99)	(0.13)	-	(1.12)
Balance at March 31, 2020	16.76	5.95	25.19	18.50	66.40
Carrying Amount					
Balance at March 31, 2018	64.22	40.82	7.35	0.34	112.73
Additions / adjustments	1.95	1.14	2.17	0.56	5.82
Disposals/adjustments	-	-	-	-	-
Amortisation expenses					
- Continuing operations	(3.12)	(1.32)	(5.02)	-	(9.46)
- Discontinued operations	-	(0.20)	(0.03)	-	(0.23)
Balance at March 31, 2019	63.05	40.44	4.47	0.90	108.86
Additions / adjustments	0.33	10.51	4.39	0.09	15.32
Disposals/adjustments	-	-	(0.22)	-	(0.22)
Amortisation expenses					
- Continuing operations	(2.61)	(1.71)	(3.06)	(0.10)	(7.48)
- Discontinued operations	-	-	(0.02)	-	(0.02)
Balance at March 31, 2020	60.77	49.24	5.56	0.89	116.46

Notes:

- Refer note 46 (c) for additions/adjustments on account of exchange difference during the year.
- Disposals/adjustments pertains to intangible assets of discontinued operations. Refer note 42 below.

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7. Investments

	As at March 31, 2020	As at March 31, 2019
Non-current		
Investment in equity instruments	4.16	0.11
	4.16	0.11
Aggregate book value of unquoted investments	4.16	0.11
Aggregate amount of impairment in value of investments	4.34	4.34
Current		
Investment in mutual funds	198.50	100.49
	198.50	100.49
Aggregate book value and market value of unquoted investments	198.50	100.49

7.1 Investment in equity instruments (at fair value through other comprehensive income)

	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	42,21,535	4.22	42,21,535	4.22
Less: impairment in value of investments		(4.22)		(4.22)
Equity Share of ₹ 10 each fully paid of Vaayu Renewable Energy (Tapti) Private Limited	50,000	0.05	50,000	0.05
Equity Shares of ₹ 10 each fully paid of Suryadev Alloys & Power Private Limited	13,54,000	4.11	4,000	0.06
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	6,70,000	0.12	6,70,000	0.12
Less: impairment in value of investments		(0.12)		(0.12)
		4.16		0.11

7.2 Investment in mutual funds (at fair value through profit and loss)

	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Unquoted investments (Current)				
ICICI Prudential P1543 Saving Fund-Growth Plan	36,12,365	108.44	36,12,365	100.49
ICICI Prudential P3223 Overnight Fund-Growth Plan	27,93,962	30.06		-
UTI Overnight Fund - Regular Growth Plan	2,21,205	60.00		-
		198.50		100.49

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8. Loans

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Non- current		
Loans to employees	9.96	7.25
Security deposits		
Related parties (Refer note 35)	3.54	3.70
Other than related parties	30.37	23.10
Others		
Credit impaired	-	0.07
Less : Provision for credit impaired loans	-	(0.07)
	43.87	34.05
Current		
Loans to employees	6.88	6.38
Security deposits		
Other than related parties	18.29	4.80
Others		
Credit impaired	2.74	2.74
Less : Provision for credit impaired loans	(2.74)	(2.74)
	25.17	11.18

9. Deferred Tax (Net)

The following is the analysis of deferred tax assets (liabilities) presented in balance sheet.

	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	469.92	380.47
Deferred tax liabilities	(631.16)	(722.45)
Deferred tax liabilities, net	(161.24)	(341.98)
Net Deferred tax assets after set off	14.26	-
Net Deferred tax liabilities after set off	175.50	341.98

The major components of deferred tax assets/(liabilities) arising on account of temporary differences are as follows:

2019-20	Opening balance	Recognised in statement of profit and loss		Recognised in other comprehensive income	FCTR for the year	Closing Balance
		Continuing operations	Discontinued operations			
Deferred tax assets						
Expenses deductible in future years	30.49	(1.07)	-	-	(1.72)	27.70
Provision for credit impaired loans / receivables	0.80	0.10	-	-	-	0.90
MAT Credit Entitlement	330.34	36.73	-	-	-	367.07
Cash flow hedges	-	-	-	42.29	-	42.29
Unabsorbed carried forward losses	10.62	3.98	8.57	-	(0.19)	22.98
Others	8.22	(1.54)	-	2.86	(0.56)	8.98
	380.47	38.20	8.57	45.15	(2.47)	469.92

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

2019-20	Opening balance	Recognised in statement of profit and loss		Recognised in other comprehensive income	FCTR for the year	Closing Balance
		Continuing operations	Discontinued operations			
Deferred tax liabilities						
Property plant and equipment and intangible assets	(697.77)	72.01	-	-	8.74	(617.02)
Investment in mutual funds	(8.24)	0.29	-	-	-	(7.95)
Cash flow hedges	(15.29)	-	-	15.29	-	-
Others	(1.15)	(5.04)	-	-	-	(6.19)
	(722.45)	67.26	-	15.29	8.74	(631.16)
Total	(341.98)	105.46	8.57	60.44	6.27	(161.24)

2018-19	Opening balance	Recognised in statement of profit and loss		Recognised in other comprehensive income	FCTR for the year	Closing Balance
		Continuing operations	Discontinued operations			
Deferred tax assets						
Expenses deductible in future years	30.01	0.54	-	-	(0.06)	30.49
Provision for credit impaired loans / receivables	0.77	0.04	-	-	(0.01)	0.80
MAT Credit Entitlement	243.23	87.11	-	-	-	330.34
Unabsorbed carried forward losses	17.96	(5.15)	-	-	(2.19)	10.62
Others	4.29	6.52	-	-	(2.59)	8.22
	296.26	89.06	-	-	(4.85)	380.47
Deferred tax liabilities						
Property plant and equipment and intangible assets	(584.25)	(123.84)	-	-	10.32	(697.77)
Investment in mutual funds	(6.00)	(2.24)	-	-	-	(8.24)
Cash flow hedges	3.76	-	-	(19.05)	-	(15.29)
Others	(1.15)	-	-	-	-	(1.15)
	(587.64)	(126.08)	-	(19.05)	10.32	(722.45)
Total	(291.38)	(37.02)	-	(19.05)	5.47	(341.98)

Notes:

- At March 31, 2020, there was no recognised deferred tax liability (Previous year : Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries. The Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.
- Section 115BAA of the Income Tax Act, 1961 was introduced by the Taxation Laws (Amendment) Ordinance, 2019. Based on the current estimate of expected timing of exercising of the option under Section 115BAA, the Company has re-measured its deferred tax balances. Consequently, credit of ₹ 136.11 Crores (net of MAT adjustment of ₹ 74.02 crores) has been recorded in the Statement of consolidated Profit and Loss during the year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

- (iii) MAT credit entitlement of ₹ 74.02 Crores (out of total ₹ 87.85 Crores generated during the year) expiring in the financial year ending March 31, 2035 is not recognised in the statement of profit and loss of the current year, due to expected timing of exercising of the option under section 115BAA of Income Tax Act, 1961.
- (iv) As on March 31, 2019 there were capital losses of ₹ 186.32 Crores expiring in the financial year ending March 31, 2023 on which no deferred tax asset was created, due to lack of probability of future capital gains against which such deferred tax assets can be realised. Pursuant to recognition of long term capital gain in the current year, such capital losses have been set-off. Also refer note 42(A).

10. Other Financial Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Non Current		
Derivatives carried at fair value through Other comprehensive income		
- Forward exchange contracts used for hedging	-	1.87
- Interest rate swaps used for hedging	-	2.84
Other financial assets carried at amortised cost		
- Government grant and claims recoverable	15.86	-
	15.86	4.71
Current		
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	0.08	3.42
Derivatives carried at fair value through Other comprehensive income		
- Forward exchange contracts used for hedging	-	25.26
- Interest rate swaps used for hedging	-	0.88
Other financial assets carried at amortised cost		
- Contract assets (Refer note 41)	-	25.52
- Insurance claim recoverable	5.79	17.22
- Government grant and claims recoverable	163.84	126.79
- Others	0.67	1.29
	170.38	200.38

11. Other Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Capital advances	83.70	132.27
Prepaid expenses	0.26	0.50
Cenvat/Service tax/Goods and Services Tax/ sales tax recoverable	12.32	10.79
Prepaid lease*	-	134.04
Claims recoverable under Post EPCG scheme and others	0.22	17.14
	96.50	294.74
Current		
Prepaid expenses	10.24	15.18
Cenvat/Service tax/ Goods and Services Tax/ sales tax recoverable	136.42	290.46
Export incentives recoverable	63.67	42.40

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Deposits with customs and excise authorities	8.29	12.62
Advance to suppliers	61.30	43.35
Prepaid lease*	-	2.35
Others	0.88	1.51
	280.80	407.87

*Amount of prepaid lease has been reclassified to Right-of-use assets in accordance with IND AS 116 'Leases'. Also refer Note 43

12. Inventories

(Valued at lower of cost and net realisable value)

	As at March 31, 2020	As at March 31, 2019
Raw material (including packing material)	512.59	608.11
Stock in progress	156.45	147.60
Finished goods	281.24	225.86
Stores and spares (including fuel)	243.93	238.17
Traded goods	7.02	5.00
	1,201.23	1,224.74
Goods-in-transit, included above :		
Raw material (including packing material)	183.33	214.29
Stock in progress	-	0.09
Finished goods	35.83	48.78
Stores and spares (including fuel)	2.59	1.41
Traded goods	2.02	2.08
	223.77	266.65

Notes:

- The cost of inventories recognised as an expense includes ₹ 10.56 Crores (Previous year : ₹ 4.43 Crores) in respect of write-downs of inventory to net realisable value.
- Refer Note 18.1 for information on inventories pledged as security by the group.
- The method of valuation of inventory has been stated in note 2.12

13. Trade Receivables

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	891.07	1,028.75
Unsecured, credit impaired	3.61	2.49
Less: Provision for credit impaired receivables	(3.61)	(2.49)
	891.07	1,028.75

Notes:

- The credit period generally allowed on sales varies, on a case to case basis, business to business and based on market conditions. Maximum credit period allowed is upto 120 days

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

(ii) Age of receivables:

	As at March 31, 2020	As at March 31, 2019
Within the credit period	691.32	846.36
1 to 180 days past due	187.54	179.21
More than 180 days past due	15.82	5.67
	894.68	1,031.24

(iii) The group has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the group in the receivables as identified. Receivables sold as on March 31, 2020 are of ₹ 502.55 Crores (Previous year: ₹ 315.41 Crores). The group has derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the group.

(iv) There are no major customer who represent more than 10% (Previous year - Nil) of the total balances of trade receivables.

(v) Refer Note 18.1 for information on trade receivables pledged as security by the group.

14. Cash and Cash Equivalents

	As at March 31, 2020	As at March 31, 2019
Balances with Banks		
Current accounts	102.87	129.66
Savings account	-	0.29
Exchange Earners Foreign Currency (EEFC) accounts	9.54	48.49
Deposit accounts with maturity of three months or less	2.91	10.56
Cash on hand	1.12	0.55
	116.44	189.55

The disclosures regarding details of specified bank notes held and transacted during the period November 8, 2016 to December 30, 2016 have not been made since the requirement does not pertain to financial Year ended March 31, 2020.

15. Bank Balances other than above

	As at March 31, 2020	As at March 31, 2019
Earmarked balances		
- Margin money	2.89	3.44
- Unclaimed dividend accounts	6.04	5.89
Deposit accounts with maturity beyond three months upto twelve months	0.10	-
	9.03	9.33

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

16. Share Capital

	As at March 31, 2020	As at March 31, 2019
Authorised share capital:		
120,000,000 (Previous Year - 120,000,000) Equity shares of ₹ 10 each	120.00	120.00
1,000,000 (Previous Year - 1,000,000) Preference shares of ₹ 100 each	10.00	10.00
1,200,000 (Previous Year - 1,200,000) Cumulative Preferences shares of ₹ 50 each	6.00	6.00
20,000,000 (Previous Year - 20,000,000) Cumulative Preferences shares of ₹ 100 each	200.00	200.00
	336.00	336.00
Issued capital:		
61,537,255 (Previous Year - 61,537,255) Equity Shares of ₹ 10 each	61.54	61.54
Subscribed capital:		
57,480,500 (Previous Year - 57,480,500) Equity Shares of ₹ 10 each fully paid up	57.48	57.48
Add: Forfeited shares - Amount originally paid up	1.02	1.02
	58.50	58.50

16.1 Fully paid equity shares

	Number of shares	Amount
Balance at March 31, 2018	5,74,20,500	57.42
Add : Movement during the year (Refer note 37)	60,000	0.06
Balance at March 31, 2019	5,74,80,500	57.48
Add : Movement during the year	-	-
Balance at March 31, 2020	5,74,80,500	57.48

The Company has bought back Nil equity shares in aggregate in the last five financial years.

Terms/ rights attached to equity shares :

The parent has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board may from time to time pay to the members, such interim dividends as appear to it to be justified by the profits of the group.

During the Year ended March 31, 2020, the amount of interim dividend recognised as distributions to equity shareholders was ₹ 14 per share (Previous year : ₹ 12 per share).

In the event of liquidation of the Company, the holders of 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

16.2 Details of shares held by the holding Group

	Number of fully paid ordinary shares
As at March 31, 2020	
KAMA Holdings Limited, the Holding group	3,00,49,000
As at March 31, 2019	
KAMA Holdings Limited, the Holding group	3,00,49,000

16.3 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid equity shares				
KAMA Holdings Limited	3,00,49,000	52.28%	3,00,49,000	52.28%
Amansa Holding Private Limited	41,78,636	7.27%	44,42,241	7.73%

17. Other Equity

	As at March 31, 2020	As at March 31, 2019
General reserve	573.77	573.77
Retained earnings	4,117.69	3,201.00
Cash flow hedging reserve	(78.56)	24.39
Capital redemption reserve	10.48	10.48
Capital reserve	193.77	193.77
Debenture redemption reserve	75.00	75.00
Foreign currency translation reserve	(14.67)	(4.00)
Reserve for equity instruments through other comprehensive income	(4.22)	(4.22)
Employee share based payment reserve	1.56	0.58
	4,874.82	4,070.77

17.1 General Reserve

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	573.77	573.77
Increase/(decrease) during the year	-	-
Balance at end of year	573.77	573.77

The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. Items included in general reserve will not be reclassified subsequently to profit and loss.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

17.2 Retained Earnings

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	3,201.00	2,643.41
Profit for the year	1,019.09	641.63
Other comprehensive income arising from measurement of defined benefit obligation*	(5.39)	(0.87)
Payments of dividend on equity shares	(80.47)	(68.98)
Corporate tax on dividend	(16.54)	(14.19)
Balance at end of year	4,117.69	3,201.00

The amount that can be distributed as dividend by the parent to its equity shareholders is determined based on the separate financial statements of the parent company and also considering the requirements of the Companies Act, 2013.

*net of income tax of ₹ 2.86 crore (Previous year : ₹ 0.62 crores)

17.3 Cash Flow Hedging Reserve

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	24.39	(6.81)
Recognized/(reclassified) during the year	(160.53)	50.25
Income tax related to above	57.58	(19.05)
Balance at end of year	(78.56)	24.39

The Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

17.4 Capital Redemption Reserve

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	10.48	10.48
Increase/(decrease) during the year	-	-
Balance at end of year	10.48	10.48

Capital Redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. The reserve is utilised in accordance with the provision of the Act.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

17.5 Capital Reserve

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	193.77	193.77
Increase/(decrease) during the year	-	-
Balance at end of year	193.77	193.77

Capital reserve represents amounts received pursuant to Montreal Protocol Phase-out Programme of refrigerant gases.

17.6 Debenture Redemption Reserve

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	75.00	75.00
Increase/(decrease) during the year	-	-
Balance at end of year	75.00	75.00

The Company has issued non-convertible debentures. In prior years, the Company has created debenture redemption reserve out of the profits of the Company available for payment of dividend.

17.7 Reserve for equity instruments through other comprehensive income

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	(4.22)	(4.22)
Increase/(decrease) during the year	-	-
Balance at end of year	(4.22)	(4.22)

This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.

17.8 Foreign Currency Translation Reserve

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	(4.00)	20.69
Exchange differences arising on translation of foreign operations	(10.67)	(24.69)
Balance at end of year	(14.67)	(4.00)

Exchange differences relating to translation of the results and net assets of the group's foreign operations from their functional currency in to group presentation currency (i.e. ₹) are recognized in Other Comprehensive Income and accumulated in foreign currency translation reserve. Exchange differences previously accumulated in foreign currency translation reserve in respect of foreign operations are reclassified to statement of profit and loss on disposal of foreign operation.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

17.9 Employee share based payment reserve

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	0.58	-
Increase/(decrease) during the year	0.98	0.58
Balance at end of year	1.56	0.58

The group has allotted equity shares to certain employees under an employee share purchase scheme. The share based payment reserve is used to recognise the value of equity-settled share based payments provided to the such employees as part of their remuneration. Refer note 37 for further details of the scheme.

18. Borrowings

	As at March 31, 2020	As at March 31, 2019
Non-current		
Secured		
3,000 Nos., 7.33% (2010: 3000 Nos. 7.33%), listed, secured redeemable non-convertible debentures of ₹ 10 lakhs each* (Refer note 18.1.1)	299.97	299.95
Term Loans from banks* (Refer note 18.1.2)	1,890.89	1,522.05
Term Loans from others*(Refer note 18.1.3)	281.59	369.65
Less: Current maturities of long term borrowings *(Refer note 21)	(779.75)	(441.46)
	1,692.70	1,750.19
Unsecured		
Term Loans from Banks *	618.93	411.15
	618.93	411.15
	2,311.63	2,161.34
Current		
Secured		
Cash credits from banks (Refer note 18.1.4.(iv))	10.00	7.29
Term loans from banks (Refer note 18.1.4.(ii and (iii))	256.84	335.00
	266.84	342.29
Unsecured		
Cash credits from banks	-	-
Term loans from banks #	688.60	785.10
	688.60	785.10
	955.44	1,127.39

*Above amount of borrowings are net of upfront fees paid ₹ 9.40 Crores (Previous year : ₹ 8.29 Crores)

#Includes ₹ 200.00 crores (Previous year : ₹ 400.00 crores) for Commercial Paper issued by the Company. The maximum amount due during the year is ₹ 400.00 Crores (Previous year : ₹ 400.00 Crores)

There have been no defaults in repayment of principal and interest on borrowings during the reporting periods.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

18.1 Details of security of the secured loans:

Details of Loan		As at March 31, 2020*	As at March 31, 2019#	Security
1	3,000 (Previous Year 3000), 7.33%, Listed, Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each * Terms and conditions a) Redeemable at face value in one single installment at the end of 3 rd year from the date of allotment. b) Coupon is payable annually on 30th June every year.	300.00	300.00	Debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur in the State of Uttarakhand (other than moveable assets of Laminated Fabrics Business) and Dahej in the State of Gujarat (excluding certain assets) and an equitable mortgage of Company's immovable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.**
Moveable property				
2	(i) Term loan from Banks *	1343.02	1494.21	(a)(i) Out of the loans as at 2(i), loans aggregating to ₹ 1154.12 Crores (Previous Year – ₹ 1321.47 Crores **) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets) (a)(ii) Out of the loans as at 2(i), loans aggregating to ₹ 188.90 Crores (Previous Year – ₹ 172.74 Crores **) are in the process of being secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets)
Immoveable property				
				(b)(i) Out of the loans as at 2(i) loans aggregating to ₹ 1343.02 Crores (Previous Year – ₹ 928.73 Crores) are secured by equitable Mortgage of Company's immovable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand (b)(ii) Out of the loans as at 2(b)(i) loans aggregating to ₹ 544.56 Crores (Previous Year – ₹ 882.24 Crores) are additionally secured by equitable Mortgage of Company's immovable properties, both present and future, situated at Jhiwana in the State of Rajasthan. (b)(iii) Out of the loans as at 2(b)(i) loans aggregating to ₹ 75.56 Crores (Previous Year – ₹ 170.87 Crores) are additionally secured by equitable Mortgage of Company's immovable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Details of Loan	As at March 31, 2020#	As at March 31, 2019#	Security
			(b)(iv) Out of the loans as at 2(i), the term loans aggregating to:
			(a) ₹ 565.48 Crores was in the process of being additionally secured by equitable mortgage of immovable properties at Viralmalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the state of Rajasthan and Kashipur in the State of Uttarakhand in the previous year. Charge against these assets has been created in the current year.
			(b) ₹ 43.50 crores (Previous Year – ₹ 46.50 Crores) is in the process of being additionally secured by equitable mortgage of Company's immovable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
(ii) Term loans from banks	-	34.55	Term loans from banks aggregating to Nil (Previous year – ₹ 34.55 Crores) are secured by hypothecation of Company's certain moveable assets situated at Dahej in the State of Gujarat.
(iii) Term loans from banks	395.69		- Term loan is secured by pledge of 85% of the share capital of SRF Europe Kft held by SRF Global BV, mortgage of land and building of SRF Europe Kft and exclusive charge over the fixed assets of SRF Europe Kft.
(iv) Term loans from banks	161.00		- Term loan is secured by mortgage of land, building and/or any construction in future of Packaging film Factory (SRF Industries (Thailand) Ltd).
3 (i) Term loan from others	-	41.83	Term loan availed from International Finance Corporation, Washington was secured by pledge of the machineries and by mortgage on land and building of SRF Industries (Thailand) Limited.
(ii) Term loans from Others	60.48	89.82	Term loan availed from International Finance Corporation, Washington is secured by continuing coverage mortgage bond over the land, special notarial bond and general notarial bond over the property of SRF Flexipak (South Africa) (Pty) Limited.
(iii) Term loans from others	221.66	239.54	Loan of ₹ 221.66 Crores (Previous Year – ₹ 239.54 Crores) is secured by the hypothecation and equitable mortgage of Company's moveable and immovable properties at Dhar in the State of Madhya Pradesh.
4 (i) Cash credit/working capital demand loans	-	0.36	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralmalai (other than current assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh and Kashipur (other than current assets of Laminated Fabrics Business) in the State of Uttarakhand.
(ii) Term loan from banks	244.45	335.00	
(iii) Working capital facilities	12.39		- Working capital facilities is secured by pledge of 85% of the share capital of SRF Europe Kft held by SRF Global BV and pledge over receivables arising out of trade agreements
(iv) Working capital facilities	10.00	6.93	Working capital facilities availed by SRF Flexipak (South Africa) (Pty) Ltd. are secured by cession of debtors and limited cession and pledge of credit balances

*Such hypothecation and equitable mortgage as at 1 and 2 rank pari-passu between term loans from banks / others (save and except hypothecation of certain moveable assets at Dahej in the State of Gujarat in favour of a bank as at 2(ii) above) in previous year.

**Loans representing previous year figures were also secured by the moveable assets of Coated Fabrics at Viralmalai, Tamil Nadu and moveables assets of Laminated Fabrics at Kashipur, Uttarakhand

#Gross of upfront fees paid ₹ 9.40 Crores (Previous year - ₹ 8.29 Crores)

Notes to the Consolidated Financial Statements

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18.2 Terms of Loans

As at March 31, 2020

Non Current Borrowings

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2021	Up to March 31, 2022	Up to March 31, 2023	From 2023 to 2026
Redeemable Non-Convertible Debentures	Redeemable at face value in one instalment at the end of third year	7.33%	300.00	-	-	-
Rupee term loans	Half yearly instalment	Floating rate loan at 9.05%	5.00	6.00	32.50	-
	Quarterly Instalment	Floating rate loan at 7.40%	16.44	16.44	8.22	-
	Yearly payments	Floating rate loan ranging from 7.65% to 8.25%	106.00	104.00	1.00	1.00
Foreign currency term loans	Quarterly	Fixed Rate of 0.94% to floating Libor plus a spread ranging from 0.59% to 0.85% and EURIBOR plus 1.10% to uncapped EURIBOR plus 0.95%	201.12	275.09	279.52	595.86
	Half yearly instalments	Libor plus interest rate spread ranging from 1.80 % to 2.00% and MLR minus 3.775%	153.65	103.27	80.60	181.42
	Bullet	Fixed ranging from 0.97% to 6.65% to Libor plus interest rate spread ranging from 0.95% to 1.35%	-	226.68	406.97	-
			782.21	731.48	808.81	778.28

Amounts mentioned above are gross of upfront fees paid of ₹ 9.40 crores

Current Borrowings

Short term borrowings are either payable in one installment within one year or repayable on demand. For short term borrowings in foreign currency, interest rates range from EURIBOR + 65 bps to EURIBOR + 80 bps, from LIBOR + 43 bps to LIBOR + 105 bps, from 2.02% to 2.18% for THB and 8.75% to 9.25% for ZAR loans . For rupee denominated short term loans taken during the year interest rate is at 5.43 % to 10.05 %.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

18.2 Terms of Loans (contd.)

As at March 31, 2019

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2020	Up to March 31, 2021	Up to March 31, 2022	From 2022 to 2026
Redeemable Non-Convertible Debentures	Redeemable at face value in one instalment at the end of third year	7.33%	-	300.00	-	-
Rupee term loans	Half yearly instalment	8.80% to 11.45%	4.97	5.00	6.00	32.50
	Quarterly Instalment	8.42%	25.05	49.80	49.80	24.90
	Yearly payments	8.60% to 8.90%	8.00	106.00	104.00	2.00
Foreign currency term loans	Quarterly	Fixed rate of 0.94% and floating rates of LIBOR plus spread ranging from 0.59% to 0.85%	-	162.89	217.18	353.31
	Half yearly instalments	Floating rate of LIBOR plus spread ranging from 1.30 % to 2.00%	247.56	140.48	57.57	129.01
	Bullet	Fixed rate of 0.05% to LIBOR plus spread ranging from of 1.03% to 1.30%	158.91	-	411.16	15.00
			444.49	764.17	845.71	556.72

Amounts mentioned above are gross of upfront fees paid of ₹ 8.29 crores

Current Borrowings

Short term borrowings are payable in one installment within one year. For short term borrowings in foreign currency, interest rates range from EURIBOR +15 bps to EURIBOR +18 bps & from LIBOR to LIBOR +50 bps. For rupee denominated short term loans taken during the year interest rate is at 6.28% to 8.25%.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Terms of repayment

- 1) Redeemable non convertible debenture of ₹ 300 Crores are repayable in one bullet instalment in June 2020. (Previous year: ₹ 300 Crores are repayable in one bullet instalment in June 2020)
- 2) Rupee term loans of ₹ 1.97 Crores was repaid in current year (Previous year: ₹ 1.97 Crores repayable in one half yearly instalment in Sep 19).
- 3) Rupee term loans of ₹ 43.50 Crores are repayable in 5 half yearly instalments from August 2020 ((Previous year: ₹ 46.50 Crores repayable in 7 half yearly instalments from August 2019).
- 4) Rupee term loans of ₹ 41.10 Crores (Previous year: ₹ 149.55 Crores repayable in 14 quarterly instalments from June 2019) are repayable in 10 quarterly instalments from June 2020.
- 5) Rupee term loans of ₹ 200.00 Crores are repayable in 2 annual instalments from August 2020 (Previous year: ₹ 200.00 Crores repayable in 2 annual instalments from August 2020).
- 6) Rupee term loans of ₹ 12.00 Crores are repayable in 4 annual instalments from December 2020 (Previous year: ₹ 20.00 Crores repayable in 5 annual instalments from December 2019).
- 7) Foreign currency term loan of ₹ 188.90 Crores are repayable in 8 quarterly instalments from September 2020 (Previous year: ₹ 172.74 Crores repayable in 8 quarterly instalments from September 2020).
- 8) Foreign currency term loan of ₹ 412.90 Crores are repayable in 19 quarterly instalments from August 2020 (Previous year: ₹ 387.90 Crores repayable in 19 quarterly instalments from August 2020).
- 9) Foreign currency term loan of ₹ 188.90 Crores are repayable in 14 quarterly instalments from July 2020 (Previous year: ₹ 172.74 Crores repayable in 14 quarterly instalments from July 2020).
- 10) Foreign currency term loan of ₹ 34.55 Crores was repaid in current year (Previous year: ₹ 34.55 Crores repayable in 2 half yearly instalments from September 2019).
- 11) Foreign currency term loan of ₹ 30.72 Crores was repaid in current year (Previous year: ₹ 30.72 Crores repayable in 2 half yearly instalments from July 2019)
- 12) Foreign currency term loan of ₹ 75.56 Crores are repayable in 2 half yearly instalments from September 2020 (Previous year: ₹ 138.18 Crores repayable in 4 half yearly instalments from September 2019).
- 13) Foreign currency term loan of ₹ 221.66 Crores are repayable in 11 half yearly instalments from April 2020 (Previous year: ₹ 239.54 Crores repayable in 13 half yearly instalments from April 2019).
- 14) Foreign currency term loan of ₹ 158.91 Crores was repaid in current year (Previous year: ₹ 158.91 Crores is repayable in one bullet instalment in April 2019)
- 15) Foreign currency term loan of ₹ 15.00 Crores are repayable in one bullet instalment in June 2022 (Previous year: ₹ 15.00 Crores is repayable in one bullet instalment in June 2022).
- 16) Foreign currency term loan of ₹ 165.16 Crores are repayable in 12 quarterly instalments from July 2020 (Previous year: Nil)
- 17) Foreign currency term loan of ₹ 226.68 Crores are repayable in one bullet instalment in December 2021(Previous year: Nil).
- 18) Foreign currency term loan of ₹ 226.68 Crores are repayable in one bullet instalment in December 2022 (Previous year: Nil).
- 19) Foreign currency term loan of ₹ 165.34 Crores are repayable in one bullet instalment in December 2022 ((Previous year: Nil).
- 20) Foreign currency term loan of ₹ 60.45 Crores are repayable in 4 half yearly instalments from May 2020 (Previous year: ₹ 89.82 Crores repayable in 6 half yearly instalments from May 2019).
- 21) Foreign currency term loan of ₹ 395.69 Crores are repayable in 20 quarterly instalments from March 2022 (Previous year Nil).
- 22) Foreign currency term loan of ₹ 161.26 Crores are repayable in 8 half yearly instalments from September 2021 (Previous year Nil).
- 23) Foreign currency term loan of ₹ 411.12 Crores was repaid in current year (Previous year: ₹ 411.12 Crores is repayable in one bullet instalment in March 22)
- 24) Foreign currency term loan of ₹ 41.85 Crores was repaid in current year (Previous year: ₹ 41.85 Crores is repayable in 2 half yearly instalment from June 2019)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

19. Provisions

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Provision for compensated absence (Refer note 36.3)	32.94	26.69
Provision for retention pay (Refer note 36.3)	1.49	9.42
Other employee benefits	3.10	1.99
	37.53	38.10
Current		
Provision for compensated absence (Refer note 36.3)	6.48	5.89
Provision for retention pay (Refer note 36.3)	0.14	0.07
	6.62	5.96

20. Trade Payables

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises#	30.36	18.24
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances*	92.59	140.52
- Other than acceptances	988.74	1,223.66
	1,111.69	1,382.42

#Refer to note 20.1

*Acceptances represent invoices discounted by vendors with banks.

20.1 Total outstanding dues of micro enterprises and small enterprises

Trade Payables include the following dues to micro and small enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) to the extent such parties have been identified from the available information.

	As at March 31, 2020	As at March 31, 2019
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount **	35.88	34.42
- Interest due thereon	-	0.01
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED /settled	1.02	1.18
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	-	0.01
- Interest remaining unpaid as at the end of the year	-	1.02
Interest remaining due and payable even in the succeeding years, until such date when the interest dues are actually paid, for the purpose of disallowance of a deductible expenditure	-	0.01

** including payable to micro enterprise and small enterprise included in other financial liabilities (refer note 21)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

21. Other Financial Liabilities

	As at March 31, 2020	As at March 31, 2019
Current		
Current maturities of long term borrowings (Refer note 18)	779.75	441.46
Interest accrued but not due on borrowings	29.14	31.54
Unpaid dividends*	6.04	5.89
Security deposits received	6.88	5.96
Payables to capital creditors		
Total outstanding dues of micro enterprises and small enterprises#	5.52	17.20
Total outstanding dues of creditors other than micro enterprises and small enterprises	215.90	84.43
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	44.19	4.26
- Interest rate swaps used for hedging	0.98	-
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	2.58	-
Others	33.56	11.75
	1,124.54	602.49

*Amount will be credited to investor education and protection fund if not claimed within seven years from the date of declaration of dividend.

#Refer to note 20.1

	As at March 31, 2020	As at March 31, 2019
Non Current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	21.43	-
- Interest rate swaps used for hedging	1.44	-
	22.87	-

22. Tax Assets and Liabilities

	As at March 31, 2020	As at March 31, 2019
Non Current tax assets		
Advance tax (net of provisions for tax)	35.03	19.00
Current tax assets		
Advance tax (net of provisions for tax)	1.74	-
Current tax liabilities		
Provisions for tax (net of advance tax)	9.75	9.83

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for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

23. Other Liabilities

	As at March 31, 2020	As at March 31, 2019
Non-current		
Deferred government grants*	14.00	18.53
	14.00	18.53
Current		
Contract liability (Refer note 41)	12.68	16.69
Statutory liabilities	21.73	11.89
Other taxes payables	35.95	33.71
Payable to gratuity trust (Refer note 36.2)	15.82	8.30
	86.18	70.59

*The Company has recognized grant in respect of duty paid on procurement of capital goods under post EPCG scheme of Central Government which allows refund of such duty in the form of freely transferable duty credit scrips upon meeting of requisite export obligation. The Company has met the its export obligations against this grant in the current year. Export obligation as on March 31, 2019 was ₹ 25.18 crores.

Further, the group has received financial assistance from the Industrial Development Corporation of South Africa for the development of the clothing and textiles competitiveness programme - RCF in respect of its property, plant and equipment.

The unamortised grant amount as on March 31, 2020 is ₹ 14.00 crores (Previous year : ₹ 18.53 crores).

24. Revenue from Operations*

	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products		
Manufactured goods	6,941.92	6,882.20
Traded goods	120.20	67.69
	7,062.12	6,949.89
Other operating revenues		
Claims	0.25	1.27
Export and other incentives	102.87	112.38
Scrap sales	30.07	34.46
Other operating income	14.10	1.59
	147.29	149.70
	7,209.41	7,099.59

Reconciliation of Revenue from Sale of Products with the Contracted Price

	Year ended March 31, 2020	Year ended March 31, 2019
Contracted price	7,162.59	7,079.76
Less: Discounts, allowances and claims	(100.47)	(129.87)
Sale of products	7,062.12	6,949.89

* Refer note 42(C)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

25. Other Income*

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income		
- from customers	0.08	0.10
- on loans and deposits	1.09	0.95
- on others	13.93	3.41
Net gain on sale/discarding of property, plant and equipment	12.85	-
Net gain on financial assets measured at fair value through profit and loss	9.38	11.93
Provision / liabilities no longer required written back	2.86	5.12
Other non-operating income	8.86	6.46
	49.05	27.97

* Refer note 42(C)

26.1 Cost of Materials Consumed

	Year ended March 31, 2020	Year ended March 31, 2019
Opening stock of raw materials		
- Continuing operations	573.01	436.51
- Discontinued operations	35.10	45.44
Add: Purchases of raw materials		
- Continuing operations	3,626.97	4,129.11
- Discontinued operations	81.24	379.19
	4,316.32	4,990.25
Less: Closing stock of raw materials		
- Continuing operations	512.59	573.01
- Discontinued operations	-	35.10
Cost of materials consumed*		
- Continuing operations	3,687.39	3,992.61
- Discontinued operations	116.34	389.53

* Including packing material

26.2 Purchases of Stock in Trade*

	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of stock in trade	91.40	48.55
	91.40	48.55

* Refer note 42(C)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

26.3 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade

	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the end of the year:		
- Continuing operations		
Stock-in-Process	156.45	139.65
Finished goods	281.24	209.49
Traded goods	7.02	5.00
	444.71	354.14
- Discontinued operations		
Stock-in-Process	-	7.95
Finished goods	-	16.37
	-	24.32
Effect of changes in exchange currency rates		
- Continuing operations		
Stock-in-Process	(0.14)	1.86
Finished goods	(1.11)	(5.39)
	(1.25)	(3.53)
- Discontinued operations		
Stock-in-Process	0.40	0.51
Finished goods	0.57	0.49
	0.97	1.00

Changes In Inventories Of Finished Goods, Work In Progress And Stock In Trade

	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the beginning of the year:		
- Continuing operations		
Stock-in-Process	139.65	98.96
Finished goods	209.49	180.67
Traded goods	5.00	4.01
	354.14	283.64
- Discontinued operations		
Stock-in-Process	-	12.01
Finished goods	7.95	14.29
Traded goods	16.37	-
	24.32	26.30
Net (increase) / decrease		
- Continuing operations	(91.82)	(74.03)
- Discontinued operations	25.29	2.98

27. Employee Benefits Expense*

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages, including bonus	446.79	378.13
Contribution to provident and other funds	35.79	27.53
Workmen and staff welfare expenses	58.36	50.79
Share based payment expense (Refer note 37)	0.98	4.34
	541.92	460.79

* Refer note 42(C)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

28. Finance Cost*

	Year ended March 31, 2020	Year ended March 31, 2019
Interest cost ^		
- Non convertible debentures	21.99	21.99
- Term loans and others	145.96	151.88
- Lease liabilities	6.70	-
Other borrowing costs	12.87	15.13
Exchange differences regarded as an adjustment to borrowing cost	13.16	9.37
	200.68	198.37

^includes unwinding of deferred payment financial liability and pertains to liabilities measured at amortised cost.

*Refer note 42(C)

29. Depreciation and Amortisation Expense*

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment	364.39	348.71
Amortisation of intangible assets	7.48	9.46
Depreciation of Right of use assets	16.74	-
	388.61	358.17

* Refer note 42(C)

30. Other Expense*

	Year ended March 31, 2020	Year ended March 31, 2019
Credit impaired assets provided / written off	2.05	2.49
Labour production	44.92	39.14
Directors' sitting fees	0.26	0.21
Expenditure on corporate social responsibility**	12.00	10.38
Property, plant and equipment provided/ written off	5.55	1.95
Freight charges	223.31	209.90
Insurance	39.06	20.20
Power and fuel	672.55	585.09
Legal and professional charges	34.53	33.47
Rates and taxes	36.37	34.72
Rent***	14.78	29.34
Repairs and maintenance		
- Buildings	6.37	4.91
- Plant and machinery	158.44	137.05
- Other maintainces	38.93	35.44
Selling commission	21.02	24.01
Stores and spares consumed	66.47	58.87
Travelling and conveyance	19.05	20.81

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
Auditor remuneration#		
- Audit Fees	1.12	0.80
- For limited review of unaudited financial results	0.40	0.49
- For Corporate governance, consolidated financial statements and other certificates	0.12	0.12
- For tax audit	0.06	0.06
- Reimbursement of out of pocket expenses	0.16	0.17
Exchange currency fluctuation (net)	3.50	23.89
Effluent disposal expenses	77.52	49.40
Miscellaneous expenses^	47.04	51.76
	1,525.58	1,374.67

* Refer note 42(C)

**Refer to note 46(d)

***Refer to note 43

^Miscellaneous expenses include Nil (Previous year : ₹ 3.00 crores) as political contribution.

#including fees paid to auditors of subsidiary companies

31. Income Tax Recognised in Profit and Loss

	Year ended March 31, 2020	Year ended March 31, 2019
Tax expense related to continuing operations	(1.20)	176.85
Tax expense related to discontinued operations	52.66	8.41
	51.46	185.26
a) Tax expense related to continuing operations		
Current tax		
In relation to current year	115.97	141.14
Adjustment in relation to earlier years	(11.71)	(1.31)
	104.26	139.83
Deferred tax		
- MAT credit entitlement		
In relation to current year	(13.83)	(59.70)
Adjustment in relation to earlier years	(22.90)	(27.41)
	(36.73)	(87.11)
- Others		
In relation to current year	(75.63)	122.56
Adjustment in relation to earlier years	6.90	1.57
	(68.73)	124.13
b) Tax expense related to discontinued operations		
Current tax		
In relation to current year	61.23	8.41
Deferred tax		
- Others		
In relation to current year	(8.57)	-
	52.66	8.41

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

The income tax expenses for the year can be reconciled to the accounting profits as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax		
From continuing operations	914.70	768.43
From discontinued operations	155.85	58.46
Total Profit before tax	1,070.55	826.89
Income Tax Expenses @ 34.944% (Previous year @ 34.944%)	374.09	288.95
Effect of deductions (research and development and deductions under Chapter - VIA of Income Tax Act)	(76.74)	(45.61)
Effect of expenses that are not deductible in determining taxable profits	6.25	5.87
Effect of income taxable at lower rate	(26.00)	-
Effect of credit recognised on set-off of carried forward long term capital losses (Refer note (iii) below)	(43.40)	-
Effect of credit recognised on re-measurement of deferred tax balances pursuant to introduction of Section 115BAA by the Taxation Laws (Amendment) Ordinance, 2019 Refer to note 9(ii)	(136.11)	-
Effect of Nil tax/exemption of overseas subsidiaries	(8.66)	(17.01)
Effect of Deferred tax created on past accumulated losses	(11.24)	-
Effect of lower tax rates in overseas subsidiaries	4.27	(19.89)
Others	(3.29)	0.10
Income tax expenses recognised in profit and loss in relation to current year	79.17	212.41
Income tax expenses recognised in profit and loss in relation to earlier years (Refer note (ii) below)	(27.71)	(27.15)
Total Income tax expenses recognised in profit and loss	51.46	185.26

Notes:

- The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (2019: 34.944%) payable by corporate entities in India on taxable profits under the Indian tax law.
- Income tax in relation to earlier years includes tax credit of ₹ 22.58 crores (Previous year ₹ 24.76 crores) which is related to finalization and determination of deduction/allowance claimed for earlier years under Chapter-VIA of the Income-tax Act, 1961, for generation of power from captive power plants which is based on finalization of transfer pricing study /tax audit reports of the earlier years.
- The Company had ₹ 186.32 Crores of carried forward long term capital losses as per Income Tax Act, 1961, available for set off, on which no deferred tax asset was recognized till previous year. Pursuant to recognition of long term capital gain, a tax credit of ₹ 43.40 Crores has been recognised during the current year in respect of such losses in accordance with Ind AS 12 - "Income Taxes".

32. Income Tax Recognised in Other Comprehensive Income

	Year ended March 31, 2020	Year ended March 31, 2019
Arising on income and expense recognised in other comprehensive income		
Net (gain)/ loss on designated portion of hedging instruments in cash flow hedges	57.58	(19.05)
Remeasurement of defined benefit obligation	2.86	0.62
	60.44	(18.43)
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	57.58	(19.05)
Items that will not be reclassified to profit or loss	2.86	0.62
	60.44	(18.43)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

33. Contingent Liabilities

	Year ended March 31, 2020	Year ended March 31, 2019
a. Claims against the group not acknowledged as debts :		
Goods and Services tax, excise duty, custom duty and service tax*	21.33	21.39
Sales tax and entry tax**	19.08	46.94
Income tax***	5.79	9.07
Stamp duty****	-	28.82
Others***	11.85	0.94

*Amount deposited against contingent liability ₹ 2.72 Crores (Previous year: ₹ 6.17 Crores)

**Amount deposited against contingent liability ₹ 4.62 Crores (Previous year: ₹ 2.57 Crores)

***Amount deposited against contingent liability ₹ 0.49 Crores (Previous year: ₹ 0.08 Crore)

****Amount deposited against contingent liability ₹ 5.68 Crores (Previous year: ₹ 7.14 Crores)

*****In the matter of a demand for Stamp duty related to Tyrecord Division at Malanpur, Gwalior, Madhya Pradesh, the Division Bench of the Hon'ble High Court of Madhya Pradesh decided in favour of Revenue department during the year. The Company's petition in the Supreme Court was dismissed. The Company has paid the entire duty demand of ₹ 28.82 crores (including penalty of ₹ 5.09 crores) during the year.

***Includes demand by Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. (MPPKVV Ltd) of ₹ 10.06 Crores which is disputed by the Company.

All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on the results of the operations or financial position of the group.

- b The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax amounting to ₹ 25.61 Crores (Previous year: ₹ 20.10 Crores) should not be levied. The Company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.

The Company has received a draft assessment order for assessment year 2016-17 in which adjustments amounting to ₹ 367.37 Crores have been proposed on account of transfer pricing adjustments etc. which are pending before Dispute Resolution Panel. Based on the transfer pricing study, facts of the case and applicable case laws, the company is of the view that the proposed adjustments will not sustain.

- c In February 2019, the Honorable Supreme Court of India in its judgement opined on the applicability of allowances that should be considered to measure obligations under Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Company believes that there are interpretative challenges on the application of judgement retrospectively and therefore has applied the judgement on a prospective basis.

- d The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the group or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made.

34. Capital and Other Commitments

	As at March 31, 2020	As at March 31, 2019
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	362.95	626.49
(ii) The group has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The group does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses which have not been provided for.		

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for the year ended March 31, 2020

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35. Related Party Transactions

35.1 Description of related parties under Ind As-24 "Related party disclosures"

Holding Company	Key management personnel (KMP)
KAMA Holdings Limited	Arun Bharat Ram
	Ashish Bharat Ram
Fellow subsidiaries #	Kartik Bharat Ram
KAMA Realty (Delhi) Limited	Vinayak Chatterjee *
Shri Educare Limited	Tejpreet S Chopra
	Lakshman Lakshminarayan
	Vellayan Subbiah
	Pramod Bhasin **
Post employment benefit plans trust	Meenakshi Gopinath
SRF Limited Officers Provident Fund Trust	Pramod Gopaldas Gujarathi
SRF Employees Gratuity Trust	Bharti Gupta Ramola ***
SRF Officers Gratuity Trust	Yash Gupta ****
	Puneet Yadu Dalmia ****
Relatives of KMP #	Enterprises over which KMP have significant influence #
Sushil Ramola ***	SRF Foundation
Shanthi Narayan	Karm Farms LLP
Murugappan Vellayan Subbiah	Srishti Westend Greens Farms LLP
	SRF Welfare Trust
KMP of Holding Company #	Relatives of KMP of Holding Company #
Rajat Lakhanpal *	Nirmala Kothari ****

* upto March 31, 2019

** upto February 4, 2019

*** from February 4, 2019

**** from April 1, 2019

#Only with whom the Company had transactions during the year

35.2 Transactions with related parties

	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of property, plant & equipment and intangible assets from		
Holding company	0.15	-
	0.15	-
Sale of property, plant & equipment and intangible assets to		
Holding company	0.20	-
	0.20	-
Sale of goods to		
Enterprises over which KMP have significant influence	0.25	-
	0.25	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
Rent paid		
Fellow Subsidiaries	6.63	6.75
Key management personnel	0.29	0.29
Enterprises over which KMP have significant influence	0.27	1.56
	7.19	8.60
Reimbursement of expenses from		
Holding Company	0.01	0.01
Fellow Subsidiaries	0.05	0.04
	0.06	0.05
Deposits received back from		
Fellow Subsidiaries	0.12	-
Enterprises over which KMP have significant influence	0.04	1.20
	0.16	1.20
Donations to		
Enterprises over which KMP have significant influence	12.00	10.38
	12.00	10.38
Contribution to post employment benefit plans		
Post employment benefit plans trust	24.31	21.20
	24.31	21.20
Employee benefit obligations transferred to		
Holding Company	0.03	-
Fellow Subsidiaries	0.10	-
	0.13	-
Employee benefit obligations transferred from		
Holding Company	0.09	-
	0.09	-
Equity dividend paid		
Holding Company	42.07	36.06
Key management personnel	0.06	0.05
Relatives of KMP	0.04	0.02
KMP of Holding Company	-	@
Relatives of KMP of Holding Company	^	-
	42.17	36.13

^ Amount in absolute ₹ 140 (Previous year : Nil)

@ Amount in absolute Nil (Previous year : ₹ 972)

35.3 Outstanding Balances:

	As at March 31, 2020	As at March 31, 2019
Commission payable		
Key management personnel	10.22	7.00
	10.22	7.00
Payable		
Post employment benefit plans trust	14.37	9.30
	14.37	9.30
Security deposits outstanding		
Fellow Subsidiaries	3.27	3.39
Key management personnel	0.13	0.13
Enterprises over which KMP have significant influence	0.14	0.18
	3.54	3.70

Notes to the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

35.4 Key management personnel compensation

	Year ended March 31, 2020	Year ended March 31, 2019
Short-term benefits	22.11	16.95
Post-employment benefits	1.75	1.36
Other long-term benefits	1.25	0.33
	25.11	18.64

36. Employee Benefits

36.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

Indian entities	Year ended March 31, 2020	Year ended March 31, 2019
Superannuation fund (Refer to note (i) below)	0.65	0.58
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	12.58	9.73
Employees' State Insurance Corporation	0.58	1.13
National Pension Scheme	1.99	1.78
	15.80	13.22

Foreign subsidiaries	Year ended March 31, 2020	Year ended March 31, 2019
Contribution to provident fund	1.24	2.01
Skill, development and Social Security Fund	0.78	1.43
Pension fund	1.05	1.03
	3.07	4.47

The expenses incurred on account of the above defined contribution plans have been included in Note 27 "Employee Benefits Expenses" under the head "Contribution to provident and other funds"

(i) Superannuation fund

The Company makes contributions to a Trust which in turn contributes to ICICI Prudential Life Insurance Company Limited. Apart from being covered under the Gratuity Plan described below, the employees of the Company also participate in a defined contribution superannuation plan maintained by the Company. The Company has no further obligations under the plan except making annual contributions based on a specified percentage of each covered employee's salary. From November 1, 2006, the Company provided an option to the employees to receive the said benefit as cash compensation along with salary in lieu of the superannuation benefit. Thus, no contribution is required to be made for the category of employees who opted to receive the benefit in cash.

(ii) Provident fund administered through Regional Provident Fund Commissioner

All employees are entitled to Provident Fund benefits as per the law. For certain category of employees the group administers the benefits through a recognized Provident Fund Trust. For other employees contributions are made to the Regional Provident Fund Commissioners. The Government mandates the annual yield to be provided to the employees on their corpus. This plan is considered as a Defined Contribution Plan. For the first category of employees (covered by the Trust), the group has an obligation to make good for the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government and these are considered as Defined Benefit Plans and are accounted for on the basis of an actuarial valuation.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

36.2 Defined benefit plans

The group sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by separate funds which are legally separate from the group. These plans are:

- Gratuity
- Provident fund for certain category of employees administered through a recognized provident fund trust.
- Legal Severance pay & Health care (Unfunded) as applicable with respect to foreign entities

- (i) **These plans typically expose the group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.**

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Interest Risk

The plan exposes the group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of the providing the above benefits and will thus result an increase in value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of the plan participants both during and after the employment. An increase in the life expectancy of plan participants will increase the plan's liability.

- (ii) **The principal assumption used for the purpose of the actuarial valuation were as follows:**

Indian entities	As at March 31, 2020		As at March 31, 2019	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	6.77%	6.77%	7.66%	7.66%
Expected statutory interest rate	-	8.50%	-	8.65%
Salary increase	7.00%	-	7.00%	-
Retirement Age (years)	58.00	58.00	58.00	58.00
Mortality Rates	IALM (2012-14)	IALM (2012-14)	IALM (2006-08)	IALM (2006-08)
Withdrawal Rate				
Upto 30 years	20.00%	20.00%	20.00%	20.00%
31 to 44 years	7.00%	7.00%	7.00%	7.00%
Above 44 years	8.00%	8.00%	8.00%	8.00%

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2020	As at March 31, 2019
Discount Rate	1.74%	2.97%/3.05%
Salary increase	6.00%	6.5%/5.00%
In service mortality	TMO	TMO
Retirement Age	55	60 / 55
Withdrawal Rate		
- up to 20 years	20	55/25
- 21-30	16	30/15
- 31-40	10	11/12
- 41-50	3	3.5/3
- 51 onwards	2	2.5/2

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The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date.

The present value of defined benefit obligation and the related current service cost and past service cost were measured using projected unit credit method.

(iii) Amounts recognized in statement of profit and loss in respect of these benefit plans are as follows:

Indian entities	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	7.19	6.07	6.00	6.36
Interest expenses (net of expected return on plan assets)	0.64	-	0.52	-
	7.83	6.07	6.52	6.36

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2020	As at March 31, 2019
Current/past Service cost *	15.27	1.60
Net interest expenses	0.40	0.26
	15.67	1.86

* The above includes impact of discontinued operations.

The current service cost and the net interest expenses for the year are included in Note 27 "Employee Benefits Expenses" under the head Contribution to provident and other funds

(iv) Amount recognized in other comprehensive income:

Indian entities	Gratuity	
	As at March 31, 2020	As at March 31, 2019
Actuarial (gain)/losses on plan assets	(0.41)	(5.71)
Actuarial (gain)/losses arising from changes in financial assumptions	4.54	(2.43)
Actuarial (gain)/losses arising from changes in experience adjustments	4.06	9.92
	8.19	1.78

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(All amounts in ₹ Crores, unless otherwise stated)

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2020	As at March 31, 2019
Actuarial (gain)/losses arising from changes in financial assumptions	0.71	0.16
Actuarial (gain)/losses arising from changes in experience adjustments and demographic assumption	(0.65)	(0.45)
	0.06	(0.29)

- (v) The amount included in consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Indian entities	As at March 31, 2020		As at March 31, 2019	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	85.78	137.01	70.66	121.17
Fair value of plan assets	69.96	136.55	62.36	123.07
Surplus / (deficit)	(15.82)	(0.46)	(8.30)	1.90
Effect of asset ceiling, if any	-	-	-	(1.90)
Net assets / (liability)	(15.82)	(0.46)	(8.30)	-

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation	3.99	9.72
Fair value of plan assets	-	-
Net asset / (liability)	(3.99)	(9.72)

- (vi) Movements in the present value of defined benefit obligation are as follows:

Indian entities	As at March 31, 2020		As at March 31, 2019	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	70.66	121.17	62.22	105.25
Current Service Cost	7.19	6.07	6.00	6.36
Interest Cost	5.41	10.32	4.81	8.01
Actuarial (gain)/losses arising from changes in financial assumptions	4.54	-	(2.43)	-
Actuarial (gain)/losses arising from changes in experience adjustments	4.06	-	9.92	-
Benefits paid	(5.04)	(13.88)	(9.86)	(7.87)
Contribution by plan participants / employees	-	10.00	-	8.78
Settlement / transfer in	(1.04)	3.33	-	0.64
Closing defined benefit obligation	85.78	137.01	70.66	121.17

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	9.72	8.09
Current Service Cost	15.27	1.60
Interest Cost	0.40	0.26
Actuarial (gain)/losses arising from changes in financial assumptions	0.71	0.16
Actuarial (gain)/losses arising from changes in experience adjustments and demographic assumption	(0.65)	(0.45)
Exchange difference on foreign plans	0.37	0.38
Benefits paid/Settled*	(21.83)	(0.32)
Closing defined benefit obligation	3.99	9.72

* Benefits paid to employees due to discontinuation of business

(vii) Movements in the fair value of plan assets are as follows:

Indian entities	As at March 31, 2020		As at March 31, 2019	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	62.36	123.07	55.47	106.83
Return on plan assets (excluding amounts included in net interest expenses)	5.28	10.14	10.00	8.33
Contributions from employer	8.30	6.07	6.75	6.36
Contributions from plan participants	-	10.00	-	8.78
Benefits paid	(5.04)	(13.88)	(9.86)	(7.87)
Settlement / Transfer in	(0.94)	1.15	-	0.64
Closing fair value of plan assets	69.96	136.55	62.36	123.07

Gratuity:

Plan assets comprises primarily of investment in HDFC Group Unit Linked Plan fund. The weighted average duration of the defined benefit obligation is 9.08 years (Previous year : 8.99 years). The group expects to make a contribution of ₹ 8.68 Crores (Previous year : ₹ 7.01 Crores) to the defined benefit plans during the next financial year.

Provident fund:

The plan assets have been primarily invested in government securities and corporate bonds.

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the 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 reporting period, while holding all other assumptions constant.

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(All amounts in ₹ Crores, unless otherwise stated)

Indian entities	Year ended March 31, 2020		Year ended March 31, 2019	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Sensitivity analysis of gratuity				
Discount rate	(2.62)	2.79	(2.05)	2.18
Expected salary growth	2.72	(2.63)	2.19	(2.07)
Sensitivity analysis of Provident Fund	(0.01)	0.01	(0.01)	0.01

Foreign subsidiaries	Year ended March 31, 2020		Year ended March 31, 2019	
	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Sensitivity analysis of legal severance pay (unfunded)				
Discount rate	(0.34)	0.40	(0.87)	1.00
Expected salary growth	0.37	(0.32)	1.01	(0.89)

Sensitivity due to mortality and withdrawals are insignificant and hence ignored

36.3 Other long-term employee benefit

Amounts recognised in the statement of profit and loss in note 27 "Employee benefits expenses" under the head "Salaries and wages, including bonus"

	Year ended March 31, 2020	Year ended March 31, 2019
Long term retention pay (Refer to note (i) below)	0.14	0.17
Compensated absences	11.26	6.93
	11.40	7.10

(i) Long Term Retention Pay

The group has a Long Term Retention Pay Plan which covers employees selected on the basis of their current band and their long term value to the Company. The incentive is payable in three year blocks subject to achievement of certain performance ratings. The Company also has a scheme for talent retention of certain identified employees under which an incentive is payable over a period of three years. Based on actuarial valuation, the Company has accrued the above mentioned amounts.

37. Employee Share Based Payments

The Company has an Employee Share Purchase Scheme (SRF Long Term Share Based Incentive Plan) to provide equity settled share based payments to certain employees. The expenses related to the grant of shares under the Scheme are accounted for on the basis of fair value of the share on the grant date (which is the market price of the Company's share on the date of grant less exercise price). The fair value so determined is expensed on a straight line basis over the remaining tenure over which the employees renders their services.

There were no equity shares granted during the current year. The number and fair value of equity shares granted during the previous year are as under:

	Year ended March 31, 2019
Number of equity shares granted during the year	60,000.00
Market price on the grant date (₹ per equity share)	1,724.73
Exercise price (₹ per equity share)	10.00
Fair value on the grant date (₹ per equity share)	1,714.73

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38. Segment Reporting

Based on the guiding principles laid down in Indian Accounting Standard (Ind AS) - 108 "Segment Reporting", the Managing Director of the group is the Chief Operating Decision Maker (CODM) and for the purposes of resource allocation and assessment of segment performance the business of the group is segregated in the segments below:

- Technical Textiles business: includes nylon tyre cord fabric, belting fabric, polyester tyre cord fabric and industrial yarns and its research and development
- Chemicals business: includes refrigerant gases, chloromethane, pharmaceuticals, fluorochemicals & allied products and its research and development.
- Packaging Film business: includes polyester films.
- Others: includes coated fabric, laminated fabric and other ancilliary activities

Segment revenue, results and capital employed include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable.

In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments. These amounts relate to continuing operations, unless otherwise stated. (Refer to note 42 with regard to information in relation to discontinued operations).

b) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the consolidated balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

A. Information about operating business segments

	Year ended March 31, 2020	Year ended March 31, 2019
Segment revenue		
a) Technical textiles business (TTB)		
- External sales	1,352.62	1,731.53
- Inter-segment sales	4.93	3.36
Total	1,357.55	1,734.89
b) Chemicals and polymers (CPB)		
- External sales	2,974.96	2,445.42
- Inter-segment sales	-	-
Total	2,974.96	2,445.42

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	Year ended March 31, 2020	Year ended March 31, 2019
c) Packaging films business (PFB)		
- External sales	2,603.58	2,651.03
- Inter-segment sales	0.41	2.31
Total	2,603.99	2,653.34
d) Others		
- External sales	278.26	271.61
- Inter-segment sales	0.08	-
Total	278.34	271.61
Total segment revenue	7,214.84	7,105.26
Less: Inter Segment revenue	5.43	5.67
Revenue from operations	7,209.41	7,099.59
Add: unallocable income	49.05	27.97
Total revenue	7,258.46	7,127.56

Segment Profits	Year ended March 31, 2020	Year ended March 31, 2019
Profit before interest and tax from each segment		
a) Technical textiles business (TTB)	151.49	261.48
b) Chemicals and polymers (CPB)	511.48	384.25
c) Packaging films business (PFB)	555.62	411.48
d) Others	31.77	21.81
Total segment results	1,250.36	1,079.02
Less: i) Interest and finance Charges	200.68	198.37
Less: ii) Other unallocable expenses net of income	134.98	112.22
Profit before tax from continuing operations	914.70	768.43
Profit before tax from discontinuing operations (Refer note 42)	155.85	58.46
Total Profit before tax	1,070.55	826.89
Capital Expenditure		
a) Technical textiles business (TTB)	63.18	52.08
b) Chemicals and polymers (CPB)	503.27	841.49
c) Packaging films business (PFB)	1,098.49	187.00
d) Others	11.67	7.31
e) Unallocated	6.53	6.41
Total	1,683.14	1,094.29
Depreciation and amortisation		
a) Technical textiles business (TTB)	34.69	34.94
b) Chemicals and polymers (CPB)	245.33	221.61
c) Packaging films business (PFB)	86.26	83.01
d) Others	8.49	8.23
e) Unallocated	13.84	10.38
Total	388.61	358.17

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(All amounts in ₹ Crores, unless otherwise stated)

Segment assets and liabilities	As at March 31, 2020	As at March 31, 2019
Segment assets		
a) Technical textiles business (TTB)	1,385.06	1,539.71
b) Chemicals and polymers (CPB)	5,247.50	4,925.43
c) Packaging films business (PFB)	3,582.77	2,776.14
d) Others	187.37	298.39
Total	10,402.70	9,539.67
Unallocable assets	462.22	348.23
Assets classified as held for sale	11.84	
Total Assets	10,876.76	9,887.90
Segment Liabilities		
a) Technical textiles business (TTB)	303.71	396.23
b) Chemicals and polymers (CPB)	515.33	448.98
c) Packaging films business (PFB)	664.05	710.00
d) Others	43.68	52.05
Total	1,526.77	1,607.26
Unallocable Liabilities	4,416.67	4,151.37
Total Liabilities	5,943.44	5,758.63

B. Information about geographical business segments

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations		
- India	3,654.63	3,753.22
- South Africa	363.06	344.26
- Singapore	13.04	70.92
- Germany	525.59	312.48
- USA	426.94	341.49
- Thailand	140.74	187.02
- Switzerland	425.38	210.51
- Belgium	293.59	263.90
- Others	1,366.44	1,615.79
	7,209.41	7,099.59

	As at March 31, 2020	As at March 31, 2019
Non current segment assets		
- Within India	6,022.14	5,729.25
- Outside India	1,835.25	928.49
	7,857.39	6,657.73

Non current segment assets includes property, plant and equipment, right of use assets, capital work in progress, intangible assets, Goodwill and other non current assets.

No single customer contributed 10% or more to the Group's revenue for both 2019-20 and 2018-19

Notes to the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

Revenue from major products	Year ended March 31, 2020	Year ended March 31, 2019
a) Technical Textiles Business (TTB)		
Nylon tyre cord fabric/ Polyester tyre cord fabric / Belting fabric	1,178.73	1,500.22
Synthetic filament yarn including Industrial yarn //Twine	162.86	216.14
b) Chemicals Business (CB)		
Fluorospecialities chemicals	1,623.83	1,039.13
Fluorochemicals, Refrigerant Gases and allied products	929.08	989.68
Chlorinated solvents and industrial chemicals	344.89	347.80
Waste/others	1.31	13.55
c) Packaging Films Business (PFB)		
Packaging Films	2,557.09	2,577.82
d) Others		
Coated fabric, laminated fabric and other ancillary activities	264.33	265.55
	7,062.12	6,949.89

39. Earnings Per Share (EPS)

	Year ended March 31, 2020	Year ended March 31, 2019
Profit attributable to equity holders of the group used in calculating basic earning per share and diluted earning per share:		
- From continuing operations	915.90	591.58
- From discontinued operations	103.19	50.05
- From continuing and discontinued operations	1,019.09	641.63
Weighted average number of equity shares of the group used in calculating basic earning per share and diluted earning per share (nos.)	5,74,80,500	5,74,60,445
Basic and diluted earnings per share (₹)		
- From continuing operations	159.34	102.95
- From discontinued operations	17.95	8.71
- From continuing and discontinued operations	177.29	111.66

40. Financial Instruments and Risk Management

40.1 Capital Management

The group manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders by maintaining a reasonable balance between debt and equity. The capital structure of the group consists of net debt (borrowings net of cash and cash equivalents and current investments) and total equity of the group. The group is not subject to any externally imposed capital requirements. The group's management reviews the capital structure of the group on periodic basis. As part of its review, the management considers the cost of capital and risk associated with each class of capital. The group also evaluates its gearing measures using Debt Equity Ratio to arrive at an appropriate level of debt and accordingly evolves its capital structure.

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The following table provides the details of the debt and equity at the end of the reporting periods:

	As at March 31, 2020	As at March 31, 2019
Debt	4,134.51	3,730.19
Cash and cash equivalents	116.44	189.55
Current investments	198.50	100.49
Net debt	3,819.57	3,440.15
Total equity	4,933.32	4,129.27
Net debt to equity ratio	0.77	0.83

During the current year, investment in mutual funds have been considered in computation of net debt considering the short term nature of these investments. The comparative figures have been recomputed and disclosed accordingly.

40.2 Financial instruments by category

Financial assets	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Measured at amortised cost						
Trade Receivables		a	891.07	1,028.75	891.07	1,028.75
Cash and cash equivalents		a	116.44	189.55	116.44	189.55
Bank balances other than above		a	9.03	9.33	9.03	9.33
Loans		a,b	69.04	45.23	69.04	45.23
Other financial assets		a	186.16	170.82	186.16	170.82
			1,271.74	1,443.68	1,271.74	1,443.68
Measured at Fair value through profit and loss						
Investments in mutual funds	2	d	198.50	100.49	198.50	100.49
Derivative instruments	2	d	0.08	3.42	0.08	3.42
			198.58	103.91	198.58	103.91
Measured at Fair value through Other comprehensive income						
Investments in unquoted equity instruments	3	d	4.16	0.11	4.16	0.11
Derivative instruments	2	d	-	30.85	-	30.85
			4.16	30.96	4.16	30.96

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Financial liabilities	Level of hierarchy	Notes	Carrying value as at		Fair value as at	
			As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Measured at amortised cost						
Borrowings		a,c	3,267.07	3,288.73	3,267.07	3,288.73
Lease Liabilities		a,c	87.70	-	87.70	-
Trade Payables		a	1,111.69	1,382.42	1,111.69	1,382.42
Other financial liabilities		a	1,076.78	598.23	1,076.78	598.23
			5,543.24	5,269.38	5,543.24	5,269.38
Measured at Fair value through profit and loss						
Derivative instruments	2	d	2.58	-	2.58	-
			2.58	-	2.58	-
Measured at Fair value through other comprehensive income						
Derivative instruments	2	d	68.04	4.26	68.04	4.26
			68.04	4.26	68.04	4.26

The following methods / assumptions were used to estimate the fair values:

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- Fair value of other long-term borrowings and lease liabilities is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.
- The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

There are no transfers between Level 1, Level 2 and Level 3 during the Year ended March 31, 2020 and March 31, 2019

Level 1:

Quoted prices in the active market: This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2:

Valuation techniques with significant observable inputs: This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of over the counter (OTC) derivative contracts and open ended mutual funds.

Level 3:

Valuation techniques with significant unobservable inputs: This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices

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from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- (i) Investments in mutual funds: Fair value is determined by reference to quotes from the financial institutions.
- (ii) Derivative contracts: The group has entered into various foreign currency contracts and interest rate swaps contracts to manage its exposure to fluctuations in foreign exchange rates and interest rate respectively. These financial exposures are managed in accordance with the group's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the authorized dealers banks and forward exchange rates at the balance sheet date.
- (iii) Unquoted equity investments: Fair value is determined based of the recoverable value as per agreement with the investee

Reconciliation of Level 3 fair value measurements	Unlisted equity instruments
As at March 31, 2018	0.12
Sale of investment	(0.01)
As at March 31, 2019	0.11
Purchases of investment	4.05
As at March 31, 2020	4.16

Sensitivity of the fair value measurement to changes in unobservable inputs for financial instruments in Level 3 level of hierarchy is insignificant.

40.3 Financial Risk Management

The group is exposed to various financial risks arising from its underlying operations and finance activities. The group is primarily exposed to market risk (i.e. interest rate and foreign currency risk) and to credit risk and liquidity risk. The Group's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management within the group is governed by policies and guidelines approved by the senior management and the Board of Directors. These policies and guidelines cover interest rate risk, foreign currency risk, credit risk and liquidity risk. Group policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function within the group. Review of the financial risk is done on a monthly basis by the Managing Director and on a quarterly basis by the Board of Directors. The objective of financial risk management is to contain, where deemed appropriate, exposures on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the group's results and financial position.

In accordance with its financial risk management policies, the group manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed

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appropriate. It is the group's policy and practice neither to enter into derivative transactions for speculative purpose, nor for any purpose unrelated to the underlying business. The Board of Directors / Managing Director reviews and approves policies for managing each of the above risks.

40.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The group enters into derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk.

A. Foreign Currency Risk Management

Foreign currency risk also known as Exchange Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign currency risk in the group is attributable to group's operating activities and financing activities.

In the operating activities, the group's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). In compliance with the Board approved policy, the Group manages the net exposure on a rolling 12 month basis and for exposures between 12 to 36 months, hedging is done based on specific exposure. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the group are mainly in U.S. Dollar (USD), Euro (EUR), Japanese Yen (JPY) and British pound sterling (GBP). The group's exposure to foreign currency changes for all other currencies is not material.

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in ₹ are as follows:

	Assets		Liabilities	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD	280.30	383.87	1,576.55	2,009.90
EUR	114.34	128.48	813.85	475.72
JPY	-	-	6.87	7.72
GBP	4.13	4.85	0.26	0.58

Foreign currency sensitivity analysis

The group is mainly exposed to changes in USD, EURO, JPY and GBP exchange rates.

The following table details the group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

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	Year ended March 31, 2020		Year ended March 31, 2019	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) *				
USD	9.18	(9.18)	12.54	(12.54)
EUR	1.21	(1.21)	(0.31)	0.31
JPY	0.07	(0.07)	0.08	(0.08)
GBP	(0.04)	0.04	(0.05)	0.05

*Includes sensitivity on long-term foreign currency monetary items on which Para D13 AA of Ind AS 101. Accordingly, the exchange loss/ (gain) arising on long term foreign currency monetary items relating to acquisition of depreciable assets will be added to/deducted from the cost of such assets/capital work-in-progress and will be depreciated over the balance useful life of assets.

Impact on equity (Other Comprehensive Income)				
USD	3.78	(3.78)	3.45	(3.45)
EUR	5.78	(5.78)	3.88	(3.88)

Foreign exchange derivative contracts

The group uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The group's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within 1 to 24 months for hedges of forecasted sales, purchases and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contracts*	No. of Deals		Contract Value of Foreign Currency (In Millions)		Maturity			
					Up to 12 months Nominal Amount* (₹ Crores)		More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD/INR Sell forward	196	110	254.56	113.00	1,243.67	780.75	680.78	45.07
EUR/INR sell forward	27	-	38.00	-	172.65	-	153.78	-
EUR/USD Sell forward	4	11	6.00	12.00	50.51	95.51	-	-
EUR/THB Buy forward	-	12	-	17.50	-	142.16	-	-
USD/THB Buy forward	-	1	-	0.50	-	3.44	-	-
EUR/USD Buy forward	9	-	15.14	-	110.33	-	-	-
USD/ZAR Buy forward	1	-	0.40	-	2.51	-	-	-
USD/ZAR Sell forward	1	-	0.40	-	2.60	-	-	-

* Computed using average forward contract rates

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The following table details the group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2020		Year ended March 31, 2019	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) for the year				
USD	1.38	(1.38)	0.92	(0.92)
EUR	0.50	(0.50)	0.51	(0.51)
Impact on equity				
USD	19.60	(19.60)	6.99	(6.99)
EUR	3.31	(3.31)	(0.95)	0.95

B. Interest Rate Risk Management

Interest rate risk arises from movements in interest rates which could have effects on the group's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

The group manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings. The group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed principal amount outstanding at the time of inception of the swap. Out of the total long term borrowings, the amount of fixed interest loan is ₹ 995.04 Crores and floating interest loan is ₹ 2,096.36 Crores (Previous year : Fixed interest loan ₹ 853 Crores and Floating interest loan ₹ 1,757 Crores)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate long term borrowings, as follows:

	Year ended March 31, 2020		Year ended March 31, 2019	
	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %
Increase in profit before tax by	1.48	2.70	2.09	2.01

In case of increase in interest rate by above mentioned percentage, there would be a comparable negative impact on the profit before tax as mentioned above.

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Interest Rate Swap Contracts

Under interest rate swap (IRS) contracts, the group agrees to exchange the difference between fixed and floating rate interest amounts calculated on the agreed notional principal amounts. Such contracts enables the group to mitigate the risk of changing interest rates.

The following table details the IRS contracts outstanding at the end of the reporting period:

Outstanding Contracts	No. of Deals		Contract Value of Foreign Currency (In Millions)		Maturity			
					Up to 12 months Nominal Amount* (₹ Crores)		More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
IRS Contracts*	3	4	15.05	23.13	26.71	54.24	86.99	105.58

Each of the above trades are in the nature of cash flow hedges and are effective hedges. The mark to market on these trades is therefore routed through Cash flow Hedge Reserve. The interest rate swap and the interest payments on the loan are paid simultaneously and are charged to statement of profit and loss.

*Sensitivity on the above IRS contracts in respect of interest rate exposure is insignificant

C. Hedge accounting

Cash flow hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2020			Year ended March 31, 2020	As at March 31, 2019			Year ended March 31, 2019
	Nominal amount (₹ Crores)	Carrying amount Assets / (liabilities) (₹ Crores)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in OCI (₹ Crores)	Nominal amount (₹ Crores)	Carrying amount Assets / (liabilities) (₹ Crores)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in OCI (₹ Crores)
Foreign exchange contracts	2,224.80	(65.62)	Other financial assets/ liabilities (current and non - current)	(88.50)	912.03	22.88	Other financial assets/ liabilities (current and non - current)	18.33
Foreign currency denominated loans	955.86	(955.86)	Non current borrowing	(65.90)	733.38	(733.38)	Non current borrowing	35.25
Interest rate swap contracts	113.70	(2.42)	Other financial assets/ liabilities (current and non - current)	(6.14)	159.82	3.72	Other financial assets/ liabilities (current and non - current)	(3.33)

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Fair value hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2020			Year ended March 31, 2020	As at March 31, 2019			Year ended March 31, 2019
	Nominal amount (₹ Crores)	Carrying amount Assets / (liabilities) (₹ Crores)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in consolidated statement of profit and loss (₹ Crores)	Nominal amount (₹ Crores)	Carrying amount Assets / (liabilities) (₹ Crores)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in consolidated statement of profit and loss (₹ Crores)
Foreign exchange contracts	192.01	(2.50)	Other financial assets/ liabilities (current and non-current)	(3.13)	154.89	3.42	Other financial assets/ liabilities (current and non-current)	2.00

40.3.2 Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables, loans and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Investments of surplus funds are made only with counterparties who meet the parameters specified in Investment Policy of the groups. The investment policy is reviewed by the group's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as to minimize the concentration of risks and therefore mitigate financial loss due to counterparty's potential failure.

Expected credit loss on financial assets:

To manage credit risk for trade receivables, the group establishes credit approvals and credit limits, periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on these financial assets other than as detailed below.

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Loss allowance for the following financial assets have been recognised by the group:

	Note No.	As at March 31, 2020	As at March 31, 2019
Loans - non-current	8	-	0.07
Loans - current	8	2.74	2.74
Trade receivables	13	3.61	2.49
		6.35	5.30

Movement of loss allowance :

	Loans (current and non current)	Trade receivables
As at March 31, 2018	2.89	15.84
Provided during the year	1.37	0.86
Reversed during the year	(1.45)	(14.22)
As at March 31, 2019	2.81	2.49
Provided during the year	0.17	1.88
Reversed during the year	(0.24)	(0.76)
As at March 31, 2020	2.74	3.61

Other than financial assets mentioned above, none of the group's financial assets are impaired, as there are no indications that defaults in payments obligation would occur.

40.3.3 Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the group to meet its financial obligations. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of money market instruments, bank overdrafts, bank loans, debentures and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director, Chief Financial Officer and Treasury Head. The group assesses the concentration of risk with respect to refinancing its debt, guarantee given and funding of its capital expenditure according to needs of the future. The group manages its liquidity by holding appropriate volumes of liquid assets which are available for its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyze the group's financial liabilities into relevant maturity profiles based on their contractual maturities:

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2020				
Borrowings*	1,735.18	2,033.21	278.43	4,046.82
Lease Liabilities	13.71	40.96	33.02	87.69
Trade payables	1,111.69	-	-	1,111.69
Other financial liabilities	344.79	22.87	-	367.66
	3,205.37	2,097.04	311.45	5,613.86

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	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2019				
Borrowings*	1,568.85	2,023.58	137.76	3,730.19
Trade payables	1,382.42	-	-	1,382.42
Other financial liabilities	161.03	-	-	161.03
	3,112.30	2,023.58	137.76	5,273.64

* including current maturity of non-current borrowings

41. Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers:

Contract assets	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	25.52	-
Increase as a result of changes in measure of progress	-	25.52
Transfer from contract assets recognised at the beginning of the year to receivables	25.52	-
	-	25.52

Contract liability	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	16.69	33.12
Revenue recognised that was included in the contract liability balance at the beginning of the period	(16.69)	(33.12)
Increase due to cash received, excluding the amount recognised as revenue during the period	12.68	16.69
	12.68	16.69

42. Non-current assets held for sale and Discontinued operations

A. Engineering Plastics Business

(a) Description:

On May 11, 2019, the Company entered into a business transfer agreement for sale of its Engineering Plastics Business, which has been divested with effect from August 1, 2019. The business was reported under "Others segment" in accordance with the requirements of Ind AS 108 – "Operating Segments" in the consolidated financial statements till previous year. The relevant financial information of the said business has been disclosed under discontinued operations in terms of Ind AS 105- "Non-current assets held for sale and discontinued operations" as below.

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(b) Financial performance and Cash flow information:

Sl. no.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
I	(a) Sale of Products	74.87	252.62
	(b) Other operating Revenues	0.26	1.13
	(c) Revenue from operations {I(a)+I(b)}	75.13	253.75
	(d) Other income	-	0.19
	(e) Total income {I(c)+I(d)}	75.13	253.94
	(f) Total expenses	67.05	229.87
	(g) Profit before tax for the period from discontinued operations {I(e)-I(f)}	8.08	24.07
	(h) Tax expense related to discontinued operations	2.82	8.41
	(i) Net Profit after tax for the period from discontinued operations {I(g)-I(h)}	5.26	15.66
II	(a) Profit before tax on disposal of discontinued operations	233.74	-
	(b) Tax expense related to disposal of discontinued operations	58.41	-
	(c) Net Profit after tax on disposal of discontinued operations {II(a)-II(b)}	175.33	-
III	Net Profit after tax for the period from discontinued operations {I(i)+II (c)}	180.59	15.66
IV	Net cash generated from operating activities	17.29	13.06
V	Net cash generated from / (used in) investing activities	268.92	(4.53)
VI	Net cash used in financing activities	(0.14)	(0.87)

(c) Revenue from major products:

	Year ended March 31, 2020	Year ended March 31, 2019
Nylon/PBT/PC compounding chips	74.87	252.62

(d) Details of disposal of discontinued operations:

	Year ended March 31, 2020
Proceeds from sale of business	315.77
Carrying amount of net assets transferred	(76.32)
Costs incurred on sale of business	(5.71)
Profit before tax on disposal of discontinued operations	233.74
Tax expense related to disposal of discontinued operations	(58.41)
Net Profit after tax on disposal of discontinued operations	175.33

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(e) The carrying amounts of assets and liabilities as at the date of sale were as follows:

	As at July 31, 2019
Property, plant and equipment	44.86
Goodwill	0.79
Intangible assets	0.22
Inventory	25.07
Trade receivables	25.27
Other assets	0.42
Total assets	96.63
Trade payables	(19.59)
Other liabilities and provisions	(0.72)
Total liabilities	(20.31)
Net assets transferred	76.32

B. Technical Textiles Business of SRF Industries(Thailand) Limited

(a) Description:

SRF Industries(Thailand) Limited closed its Technical Textiles Business operations located at Rayong, Thailand w.e.f. October 21, 2019. The business was reported as part of Technical Textiles Business as per requirements of Ind AS 108 – “Operating Segments” in the consolidated financial results till last year. The financial information of the said business have been classified as Discontinued Operations as per requirements of INDAS 105 - “Non -current assets held for sale and discontinued operations”. The relevant assets and liabilities have been recognised at estimated fair value and all future realizations / settlements of said assets / liabilities will continue to be shown under discontinued operations. The particulars of said discontinued operations are as under:

(b) Financial performance and cash flow information

Sl. no.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
I	(a) Sale of Products	133.59	338.86
	(b) Other operating Revenues	0.52	0.48
	(c) Total revenue from operations {I(a)+I(b)}	134.11	339.34
	(d) Other income	1.81	11.99
	(e) Total income {I(c)+I(d)}	135.92	351.33
	(f) Total expenses excluding point no.(g)	151.60	316.94
	(g) Impact on account of fair value measurement loss / (gain) on assets/liabilities	70.29	-
	(h) Profit / (loss) before tax from discontinued operations {I(e)-I(f)-I(g)}	(85.97)	34.39
	(i) Tax expense / (gain) related to discontinued operations	(8.57)	-
II	Net Profit / (loss) after tax from discontinued operations{I(h)-I(i)}	(77.40)	34.39
III	Net cash generated from operating activities	(4.11)	53.91
IV	Net cash generated from investing activities	(2.56)	(1.28)
V	Net cash used in financing activities	(0.55)	(31.62)

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(c) Revenue from major products

	Year ended March 31, 2020	Year ended March 31, 2019
Nylon tyre cord fabric/ Polyester tyre cord fabric / Belting fabric	133.59	338.86

(d) Assets classified as held for sale

	As at March 31, 2020
Property plant and equipment	11.84

- C. Pursuant to requirements of Ind AS 105, the amounts in the consolidated statement of profit and loss (and related notes) for the current year and the previous year have been presented for continuing operations, as if the operations had been discontinued from the start of the previous year, as applicable, unless otherwise stated.

43. Leases

The group leases various types of assets including land, buildings and Plant & Machinery. Information about leases for which the group is a lessee is presented below.

Right-of-use assets	Land ^{*^}	Buildings	Plant and equipment	Total
Balances at April 1, 2019	141.57	43.96	21.67	207.20
Additions to right-of-use assets	13.89	1.02	28.96	43.87
Deletion of right-of-use assets	(6.75)	-	-	(6.75)
Depreciation charge for the year	(1.54)	(6.76)	(8.44)	(16.74)
Balances at March 31, 2020	147.17	38.22	42.19	227.58

* The execution of lease deed of land in respect of 11,49,550 sq. mtrs. (Previous year : 1,081,250 sq. mtrs) of leasehold land allotted to the group by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

^ Including reclassification amounting to ₹ 136.39 Crores from non-current / current assets to right-of-use assets for prepaid lease rentals.

Lease liabilities

Lease liabilities included in the Balance Sheet as at March 31, 2020

	As at March 31, 2020
Current	13.71
Non-current	73.98

Amounts recognised in Statement of Profit and Loss

	Year ended March 31, 2020
Interest on lease liabilities	6.70
Depreciation expense	16.74
Expenses relating to short-term leases and leases of low-value assets (Refer note 30)	14.78

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(All amounts in ₹ Crores, unless otherwise stated)

Amounts recognised in Cash Flow Statement

	Year ended March 31, 2020
Total cash outflow for leases	18.87

Impact due to change in Accounting Policy

On transition to Ind AS 116, the group has recognised right-of-use assets and lease liabilities. The impact on transition is summarized below:

Operating lease commitments at March 31, 2019 as disclosed under Ind AS 17	135.74
Lease liabilities discounted using incremental borrowing rate recognised at April 1, 2019	70.81

When measuring lease liabilities for leases that were classified as operating lease, the group discounted lease payments using its incremental borrowing rate at April 1, 2019. The weighted average rate applied is 8%.

Operating lease commitments under Ind AS 17

The group has entered into operating lease agreements for various premises taken for accommodation of group's officers / directors, various offices of the group, lands and certain equipment's. These arrangements are both cancellable and non-cancellable in nature and range between two to ninety nine years. The future minimum lease payments under non-cancellable operating leases are as under:

	As at March 31, 2019
Non-cancellable operating lease commitments	
- Within one year	10.75
- Later than one year and not later than five years	33.47
- Later than five years	91.52
	135.74

	Year ended March 31, 2019
Lease rent recognized in the statement of profit and loss (Refer note 30) *	29.34

* Excluding amounts relating to discontinued operations.

44. Group Information

Name	Principal activities	Country of incorporation	% equity interest	
			March 31, 2020	March 31, 2019
SRF Holiday Home Limited	Development and lease of Industrial, commercial and residential complexes	India	100%	100%
SRF Employees Welfare Trust	Implementation and operationalisation of long term incentive plans of the Company	India	*	*

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Name	Principal activities	Country of incorporation	% equity interest	
			March 31, 2020	March 31, 2019
SRF Global BV	Investment company	Netherlands	100%	100%
SRF Flexipak (South Africa) (Pty) Limited (subsidiary of SRF Global BV)	Manufacture of BOPP and metallized BOPP films	Republic of South Africa	100%	100%
SRF EUROPE Kft (subsidiary of SRF Global BV)	Manufacture of Polyester film and metallized Polyester film	Hungary	100%	100%
SRF Industries (Thailand) Limited (subsidiary of SRF Global BV)	Manufacture of Tyre cord fabric, Polyester film and metallized Polyester film & trading of chemical products	Thailand	100%	100%
SRF Industex Belting (Pty) Limited (subsidiary of SRF Global BV)	Trading of chemical products	Republic of South Africa	100%	100%

*By virtue of management control under Ind As-24 "Related party disclosures"

45. Additional information as required by Paragraph 2 of General Instructions for preparation of consolidated financial statements to the Schedule III to the Companies Act, 2013

Name of the entity in the Group	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 (₹ Crores)	As % of consolidated Share in profit or loss	Amount (₹ Crores)	As % of consolidated other comprehensive income	Amount (₹ Crores)	As % of total consolidated comprehensive income	Amount (₹ Crores)
I Parent - SRF Limited	95%	4,684.24	96%	974.18	95%	(112.54)	96%	861.64
II Subsidiaries:								
A Indian								
1. SRF Holiday Home Limited	-	3.74	-	(0.04)	-	-	-	(0.04)
2. SRF Employees Welfare Trust	-	*	-	**	-	-	-	**
B. Foreign								
1. SRF Global BV (Consolidated)	7%	342.80	4%	42.71	5%	(6.47)	4%	36.24
Adjustments arising out of consolidation	(2%)	(97.46)	-	2.24	-	-	-	2.24
Total	100%	4,933.32	100%	1,019.09	100%	(119.01)	100%	900.08
Non-controlling Interests in all subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* Amount in absolute ₹ 35, 957 (Previous year - ₹ 18,383)

** Amount in absolute ₹ (7,426) (Previous year - (16,617))

[^] Includes discontinued operations

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

46. Additional Disclosures

(a) Research and Development Expenditure

The details of research and development expenditure of ₹ 132.77 crores (Previous Year - ₹ 104.40 crores) included in these financials statements are as under:

	Year ended March 31, 2020	Year ended March 31, 2019
Capital expenditure	33.09	4.06
Revenue expenditure	99.68	100.34
	132.77	104.40

The details of revenue expenditure incurred on research and development is as below:

	Year ended March 31, 2020	Year ended March 31, 2019
Cost of material consumed	1.51	2.46
Salaries and wages, including Bonus	37.85	34.96
Contribution to provident and other funds	2.45	2.03
Workmen and staff welfare expenses	3.62	3.07
Stores and spares consumed	6.15	8.45
Power and fuel	7.74	7.24
Rent	0.04	1.28
Repairs and maintenance		
- Buildings	-	0.01
- Plant and machinery	10.86	9.33
- Others	1.26	1.55
Insurance	0.87	0.38
Rates and taxes	0.04	0.08
Travelling and conveyance	1.27	1.45
Legal and professional charges	3.95	4.13
Depreciation and amortisation expense	19.09	18.60
Interest cost	0.36	-
Miscellaneous expenses	2.62	5.32
	99.68	100.34

(b) Managerial Remuneration

i)	Year ended March 31, 2020	Year ended March 31, 2019
(a) Remuneration to Chairman/ Managing Director/ Deputy Managing Director/ Whole time Director		
Salary and contribution to provident and other funds	11.05	7.44
Value of perquisites	2.26	3.53
Commission	9.50	6.50
Sub-Total	22.81	17.47
(b) Remuneration to Non Executive Directors		
Commission	0.72	0.50
Directors' sitting fees	0.21	0.21
Other fees	0.12	0.13
Sub-Total	1.05	0.84
Total	23.86	18.31

- (c) The Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13 AA of Ind AS 101. Accordingly, exchange loss/ (gain) arising on all long term monetary items financed or re-financed on or before March 31, 2016 relating to acquisition of following depreciable assets are added to/ adjusted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of such assets.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(All amounts in ₹ Crores, unless otherwise stated)

Exchange loss/ (gain) added/ (adjusted)	Year ended March 31, 2020	Year ended March 31, 2019
Property, plant and equipment		
- Roads	0.66	0.79
- Buildings	8.86	10.55
- Plant and equipment	61.44	97.69
- Furniture and fixtures	0.18	0.21
- Office equipment	0.03	0.06
	71.17	109.30
Other Intangible Assets		
- Trade marks/ Brands	0.33	1.95
- Technical knowhow	0.19	1.14
- Others	0.09	0.56
	0.61	3.65

The cumulative exchange loss/ (gain) added/ (adjusted) and remaining unamortised as at March 31, 2020 is ₹ 299.84 Crores (Previous year: ₹ 256.03 Crores).

- (d) The group was required to spend ₹ 12.00 Crores (Previous year: ₹ 10.38 Crores) on corporate social responsibility activities under section 135 of the Companies Act, 2013 out of which ₹ 12.00 Crores (Previous year: ₹ 10.38 Crores) has been spent.
- (e) In March 2020, the World Health Organization declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lockdown on March 25, 2020, which has impacted the business activities of the group. The group has assessed the impact that may result from this pandemic on its liquidity position; carrying amounts of receivables; inventories; tangible and intangible assets; investments; and other assets/liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the group has considered internal and external information available till the date of approval of these financial statements and has assessed its situation.

In that context and based on the current estimates, the group believes that COVID - 19 is not likely to have any material impact on its financial statements, liquidity or ability to service its debt or other obligations. However, the overall economic environment, being uncertain due to COVID-19, may affect the underlying assumptions and estimates in future, which may differ from those considered as at the date of approval of these financial statements. The group would closely monitor such developments in future economic conditions and consider their impact on the financial statements of the relevant periods.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place : Delhi
Date : June 4, 2020

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
DIN - 00694766
Place : Delhi

Ashish Bharat Ram
Managing Director
DIN - 00671567
Place : Gurugram

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557
Place : Delhi

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram

Rahul Jain
President & CFO
Place : Gurugram

Rajat Lakhnarpal
Vice President
(Corporate Compliance)
and Company Secretary
Place : Gurugram

Statement pursuant to first proviso to sub section(3) of section 129 of Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in prescribed form AOC-1 relating to subsidiaries/associates companies/joint ventures

A Statement showing salient features of the financial statements of subsidiaries

Indian Subsidiaries

S. No.	Name of the subsidiary	SRF Holiday Home Limited (₹ Crores)
(a)	Reporting Period	1 April 2019 to 31 March, 2020
(b)	Date since when subsidiary was acquired/formed	30.01.2008
(c)	Reporting Currency	INR
(d)	Exchange Rate	-
(e)	Share Capital	4.00
(f)	Reserves and Surplus	(0.26)
(g)	Total Assets	3.76
(h)	Total Liabilities(external liabilities)	0.02
(i)	Investment	-
(j)	Turnover	-
(k)	Profit/(Loss) Before Taxation	(0.04)
(l)	Tax expense / (income)	-
(m)	Profit/(Loss) After Taxation	(0.04)
(n)	Proposed Dividend	-
(o)	% of shareholding	100%

Foreign Subsidiaries

S. No.	Name of the subsidiary	SRF Global BV# (subsidiary of SRF Limited)		SRF Flexipak (South Africa)(Pty) Limited# (subsidiary of SRF Global BV)	
		USD	₹ Crores	Rand	₹ Crores
(a)	Reporting Period	1 April 2019 to 31 March, 2020		1 April 2019 to 31 March, 2020	
(b)	Date since when subsidiary was acquired/formed	20.10.2008		26.10.2011	
(c)	Reporting Currency	USD	₹ Crores	Rand	₹ Crores
(d)	Exchange Rate	75.56		4.24	
(e)	Share Capital	1,83,15,664	138.39	100	0.00
(f)	Reserves and Surplus	(2,31,79,110)	(175.14)	10,57,97,049	44.86
(g)	Total Assets	8,60,14,536	649.93	80,99,93,477	343.44
(h)	Total Liabilities(external liabilities)	9,08,77,982	686.67	70,41,96,328	298.58
(i)	Investment	*	*	-	-
(j)	Turnover	-	-	92,98,78,943	394.27
(k)	Profit/(Loss) Before Taxation	(14,33,060)	(10.83)	5,59,50,250	23.72
(l)	Tax expense / (income)	-	-	1,57,51,234	6.68
(m)	Profit/(Loss) After Taxation	(14,33,060)	(10.83)	4,01,99,016	17.04
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

* Investment in subsidiary USD 95,26,513 (Equivalent to ₹ 71.98 crores)

S. No.	Name of the subsidiary	SRF Industries (Thailand) Limited# (subsidiary of SRF Global BV)		SRF Industex Belting (Pty) Limited# (subsidiary of SRF Global BV)	
		THB	₹ Crores	Rand	₹ Crores
(a)	Reporting Period	1 April 2019 to 31 March, 2020		1 April 2019 to 31 March, 2020	
(b)	Date since when subsidiary was acquired/formed	08.09.2008		13.06.2008	
(c)	Reporting Currency	THB	₹ Crores	Rand	₹ Crores
(d)	Exchange Rate	2.3		4.24	
(e)	Share Capital	10,00,00,300	23.00	1,33,20,202	5.65
(f)	Reserves and Surplus	1,22,52,50,311	281.81	(5,95,83,305)	(25.26)
(g)	Total Assets	4,32,25,93,759	994.20	1,49,49,839	6.34
(h)	Total Liabilities (external liabilities)	2,99,73,43,148	689.39	6,12,12,942	25.95
(i)	Investment	-	-	-	-
(j)	Turnover	2,58,31,23,395	594.12	79,73,770	3.38
(k)	Profit/(Loss) Before Taxation	(9,06,69,202)	(20.85)	(1,85,84,578)	(7.88)
(l)	Tax expense / (income)	(8,82,79,699)	(20.30)	-	-
(m)	Profit/(Loss) After Taxation	(23,89,503)	(0.55)	(1,85,84,578)	(7.88)
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

S. No.	Name of the subsidiary	SRF Europe Kft# (subsidiary of SRF Global BV)	
		EURO	₹ Crores
(a)	Reporting Period	1 April 2019 to 31 March, 2020	
(b)	Date since when subsidiary was acquired/formed	25.04.2018	
(c)	Reporting Currency	EURO	₹ Crores
(d)	Exchange Rate	82.58	
(e)	Share Capital	10,10,000	8.34
(f)	Reserves and Surplus	(6,91,208)	(5.71)
(g)	Total Assets	8,39,21,942	693.03
(h)	Total Liabilities(external liabilities)	8,36,03,150	690.39
(i)	Investment	-	-
(j)	Turnover	-	-
(k)	Profit/(Loss) Before Taxation	(5,19,079)	(4.29)
(l)	Tax expense / (income)	61	0.00
(m)	Profit/(Loss) After Taxation	(5,19,140)	(4.29)
(n)	Proposed Dividend	-	-
(o)	% of shareholding	100%	

#The financial statements of these foreign subsidiaries have been converted into Indian Rupees on the basis of following exchange rates:

(i)	1 USD = ₹ 75.56
(ii)	1 Baht = ₹ 2.30
(iii)	1 Rand = ₹ 4.24
(iv)	1 Euro = ₹ 82.58

B Statement containing salient features of the financial statements of associates companies/ joint ventures

Name of Associate Companies/Joint Ventures#	Malanpur Captive Power Ltd.	Vaayu Renewable Energy(Tapti) Pvt. Ltd.
Latest audited Balance Sheet date	31.03.2019	31.03.2019
Share of Associate Companies held by the Company on the year end	4.22	0.05
Date on which the Associate was associated or acquired	09.01.2007	29.05.2013
Shares of associate held by the company on the year end (Number of shares)	42,21,535	50,000
Amount of investment in Associate Companies	4.22	0.05
Extent of holding (%)	22.60%	26.32%
Description of how there is significant influence	Due to control of at least 20% of total share capital as envisaged in Sec. 2(6) of the Companies Act, 2013	Due to control of at least 20% of total share capital as envisaged in Sec. 2(6) of the Companies Act, 2013
Reason why the associate company is not consolidated	*	*
Net worth attributable to shareholding as per latest Audited Balance Sheet	(6.81)	11.81
Profit & loss for the year		
(i) Considered in Consolidation	Nil	Nil
(ii) Not considered in Consolidation	(9.81)	0.58

#The company has no joint venture

*Investment in both these group captive power companies are held by the company as a consumer in accordance with the requirements of the Electricity Act, 2005. The company does not exercise significant influence as defined under IND AS over these companies and therefore their annual accounts are not consolidated with the annual accounts of the company.

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
DIN - 00694766
Place : Delhi

Ashish Bharat Ram
Managing Director
DIN - 00671567
Place : Gurugram

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557
Place : Delhi

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram

Rahul Jain
President & CFO
Place : Gurugram

Rajat Laxhanpal
Vice President
(Corporate Compliance)
and Company Secretary
Place : Gurugram

NOTES

NOTES

**Registered Office**

Unit No. 236 & 237, 2nd Floor, DLF Galleria, Mayur Place,
Noida Link Road, Mayur Vihar Phase - I Extn., Delhi, India - 110 091
Tel.: +91-11- 49482870

Corporate Office

Block - C, Sector - 45, Gurugram, Haryana, India - 122 003
Tel.: +91- 124 - 4354400

Follow Us



The Corporate Relationship Department,
BSE Limited
1st Floor , New Trading Ring Rotunda Building,
P.J. Towers
Dalal Street,
Mumbai 400 001

Scrip Code- 503806

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra-Kurla Complex
Bandra (E)
Mumbai 400 051

Scrip Code-SRF

SRF/SEC/BSE/NSE

03.11.2022

Dear Sir,

Unaudited Financial Results for the quarter and half year ended 30.09.2022 alongwith Limited Review Report for the quarter and half year ended 30.09.2022

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors at its meeting held today i.e 03rd November, 2022 (commenced at 11.15 a.m. and concluded at 02.45 p.m.) has inter-alia considered and approved –

1. Unaudited Consolidated Financial Results for the quarter and half year ended 30.09.2022 (copy enclosed alongwith Limited Review Report by Statutory Auditors for quarter and half year ended 30.09.2022)
2. Unaudited Standalone Financial Results for the quarter and half year ended 30.09.2022 (copy enclosed alongwith Limited Review Report by Statutory Auditors for quarter and half year ended 30.09.2022)

Thanking you,

Yours faithfully,

For **SRF LIMITED**

Rajat Lakhanpal
VP (Corporate Compliance) & Company Secretary

Encl: As above

SRF LIMITED
Block-C Sector 45
Gurugram 122 003
Haryana India
Tel: +91-124-4354400
Fax: +91-124-4354500
E-mail: info@srf.com
Website: www.srf.com
Regd. Office:
Unit No. 236 & 237, 2nd Floor
DLF Galleria, Mayur Place
Noida Link Road
Mayur Vihar Phase 1 Extension
Delhi 110091

Corporate identity No. L181010L1970PLC005197

BSR & Co. LLP

Chartered Accountants

Building No.10, 12th Floor, Tower-C,
DLF Cyber City, Phase-II,
Gurugram – 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

Limited Review Report on unaudited standalone financial results of SRF Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 pursuant to Regulation 33 and Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021

To the Board of Directors of SRF Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of SRF Limited ("the Company") for the quarter ended 30 September 2022 and year-to-date results for the period from 1 April 2022 to 30 September 2022 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



B S R & Co. LLP

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022


Kaushal Kishore

Partner

Membership No.: 090075

UDIN:22090075BBWFOZ4250

Gurugram

03 November 2022



SRF LIMITED

STANDALONE FINANCIAL RESULTS

FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022



SRF LIMITED

Registered Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Vihar Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi- 110091
Tel. No (Regd office) : (+91-11) 49482870 Fax: (+91-11) 49482900

E-mail: info@srf.com Website: www.srf.com CIN – L18101DL1970PLC005197

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

(Rs. in Crores, except per share data)

S.No.	Particulars	Standalone					
		Quarter ended			Half Year Ended		Year Ended
		30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
		(1)	(2)	(3)	(4)	(5)	(6)
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations						
	a. Sale of products	2901.01	3061.98	2267.84	5962.99	4447.80	9836.55
	b. Other operating revenues	70.83	40.89	23.39	111.72	43.23	116.89
	Total Revenue from operations	2971.84	3102.87	2291.23	6074.71	4491.03	9953.44
2	Other income ^A	40.90	16.17	16.87	57.07	37.03	63.91
3	Total Income	3012.74	3119.04	2308.10	6131.78	4528.06	10017.35
4	Expenses						
	a. Cost of materials consumed	1351.41	1,448.78	1164.57	2800.19	2201.51	4748.26
	b. Purchases of stock-in-trade	41.52	13.99	15.84	55.51	42.88	137.27
	c. Changes in inventories of finished goods, work-in-progress and stock in trade	82.44	(54.08)	(59.51)	28.36	(34.81)	(193.25)
	d. Employee benefits expense	164.56	161.58	148.80	326.14	301.77	658.48
	e. Finance cost	40.75	26.75	18.91	67.50	42.13	94.45
	f. Depreciation and amortisation expense	114.58	105.25	105.34	219.83	206.27	419.23
	g. Power and fuel	310.87	354.21	230.02	665.08	432.16	984.23
	h. Exchange currency fluctuation (gain)/ loss	27.07	12.80	(21.31)	39.87	(29.18)	(71.40)
	i. Other expenses	307.43	323.42	254.21	630.85	493.21	1085.04
	Total expenses	2440.63	2392.70	1856.87	4833.33	3655.94	7862.31
5	Profit before tax for the period	572.11	726.34	451.23	1298.45	872.12	2155.04
6	Tax expense						
	- Tax expense	165.13	217.91	139.53	383.04	268.85	665.34
	- Tax adjustment related to earlier years ^A	(32.17)	-	-	(32.17)	-	(17.31)
7	Net Profit after tax for the period	439.15	508.43	311.70	947.58	603.27	1507.01
8	Other Comprehensive Income						
	A. Items that will not be reclassified to profit or loss						
	(i)(a) Gain / (loss) of defined benefit obligation	1.36	(12.41)	2.55	(110.5)	(0.50)	(7.30)
	(i)(b) Income tax on item (i)(a) above	(0.48)	4.34	(0.89)	3.86	0.18	2.55
	B. Items that will be reclassified to profit or loss						
	(i)(a) Effective portion of gain / (loss) on hedging instruments in a cash flow hedge	(134.65)	(162.95)	60.37	(297.60)	21.35	39.99
	(i)(b) Income tax on item (i)(a) above	36.55	47.59	(22.75)	84.14	(9.43)	(13.03)
	(ii)(a) Cost of hedging reserve	1.91	2.69	2.39	4.60	3.60	1.48
	(ii)(b) Income tax on item (ii)(a) above	(0.38)	(0.74)	(0.70)	(1.12)	(1.01)	(0.45)
9	Total Other Comprehensive Income for the period	(95.69)	(121.48)	40.97	(217.17)	14.19	23.24
10	Total Comprehensive Income for the period	343.46	386.95	352.67	730.41	617.46	1530.25
11	Paid up equity share capital (Rs.10 each fully paid up)	296.42	296.42	59.25	296.42	59.25	296.42
12	Other equity excluding revaluation reserve	7955.26	7716.38	6781.85	7955.26	6781.85	7327.36
13	Net Worth*	8251.68	8012.80	6841.10	8251.68	6841.10	7623.78
14	Paid Up Debt Capital**	-	250.00	250.00	-	250.00	250.00
15	Debenture Redemption Reserve	-	62.50	62.50	-	62.50	62.50
16	Basic and Diluted EPS for the period (not annualised)	14.81	17.15	10.52	31.97	20.37	50.86

^A Refer note 7

* Net Worth = Paid up share capital (excluding forfeited shares) + Other equity

** Paid up Debt Capital comprises of listed Debentures only

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SRF LIMITED

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STATEMENT OF STANDALONE UNAUDITED SEGMENT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

(Rs. in Crores)

Particulars	Standalone					
	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
	(1)	(2)	(3)	(4)	(5)	(6)
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue						
a) Technical Textiles Business (TTB)	466.21	571.02	557.88	1037.23	1050.81	2085.24
b) Chemicals Business (CB)	1808.30	1706.83	1120.86	3515.13	2231.36	5212.26
c) Packaging Film Business (PFB)	596.95	719.75	529.49	1316.70	1074.33	2327.51
d) Others	100.38	105.60	86.29	205.98	139.93	340.34
Total Segment Revenue	2971.84	3103.20	2294.52	6075.04	4496.43	9965.35
Less: Inter Segment Revenue	-	0.33	3.29	0.33	5.40	11.91
Revenue from Operations	2971.84	3102.87	2291.23	6074.71	4491.03	9953.44
Segment Results						
(Profit before interest and tax from each Segment)						
a) Technical Textiles Business (TTB)	62.80	116.07	132.50	178.87	266.18	470.84
b) Chemicals Business (CB)	517.15	523.10	252.59	1040.25	473.75	1397.35
c) Packaging Film Business (PFB)	43.01	166.96	89.28	209.97	206.52	482.72
d) Others	7.59	6.76	5.79	14.35	7.69	20.35
Total Segment Results	630.55	812.89	480.16	1443.44	954.14	2371.26
Less/(Add):						
i) Finance Cost	40.75	26.75	18.91	67.50	42.13	94.45
ii) Other Unallocable Expenses (Net of Income)	17.69	59.80	10.02	77.49	39.89	121.77
Profit before tax for the period	572.11	726.34	451.23	1298.45	872.12	2155.04
Segment Assets						
a) Technical Textiles Business (TTB)	1924.07	2034.73	1803.33	1924.07	1803.33	1830.61
b) Chemicals Business (CB)	8382.40	7952.76	6183.53	8382.40	6183.53	7154.46
c) Packaging Film Business (PFB)	2327.82	2412.76	1772.30	2327.82	1772.30	2198.19
d) Others	157.41	186.62	172.85	157.41	172.85	174.94
Total segment assets	12791.70	12586.87	9932.01	12791.70	9932.01	11358.20
e) Unallocable	1412.53	1413.26	1608.35	1412.53	1608.35	1577.02
f) Assets classified as held for sale	-	-	5.22	-	5.22	3.00
Total	14204.23	14000.13	11545.58	14204.23	11545.58	12938.22
Segment Liabilities						
a) Technical Textiles Business (TTB)	446.37	487.63	497.29	446.37	497.29	416.95
b) Chemicals Business (CB)	1242.37	1177.90	830.78	1242.37	830.78	938.85
c) Packaging Film Business (PFB)	481.30	633.91	273.36	481.30	273.36	390.99
d) Others	37.29	56.69	34.34	37.29	34.34	37.02
Total segment liabilities	2207.33	2356.13	1635.77	2207.33	1635.77	1783.81
e) Unallocable	3744.20	3630.18	3067.70	3744.20	3067.70	3529.61
Total	5951.53	5986.31	4703.47	5951.53	4703.47	5313.42

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**SRF LIMITED**

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NOTES TO STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

- The above results of SRF Limited ('the Company') were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 03, 2022. The review report of the Statutory Auditors is being filed with BSE and National Stock Exchange. For more details on the standalone results, visit Investors section of our website at www.srf.com and financial results at Corporates section of www.nseindia.com and www.bseindia.com.
- These financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- Secured Redeemable Non-Convertible Debentures of the face value of Rs. 10 Lacs each aggregating to Rs. 250 Crores which were issued and allotted on September 17, 2020 at coupon rate of Three Months T Bill plus 188 bps, have been redeemed along with interest on maturity date, September 16, 2022.
- The listed Commercial Papers aggregating to Rs. 500 Crores were outstanding as on September 30, 2022. The Company's commercial paper programme has been rated as CRISIL A1+ by CRISIL and IND A1+ by India Ratings. During the quarter ended September 30, 2022, the Company has repaid all commercial papers due and payable on the respective due dates.
- Additional disclosures as per Clause 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(Ratios / percentages as applicable)

Sl. No.	Particulars	Standalone					
		Quarter Ended			Half Year Ended		Year Ended
		30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
		(1)	(2)	(3)	(4)	(5)	(6)
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Debt service coverage ratio [(Earnings before depreciation, interest and tax - current tax) / (Gross interest and lease payments + scheduled principal repayment of long term debts)] - Not annualised	1.64	4.58	3.96	2.47	3.86	4.06
2	Interest service coverage ratio [(Earnings before depreciation, interest and tax - current tax) / Gross interest and lease payments] - Not annualised	13.28	23.46	18.56	17.19	18.72	19.04
3	Bad debts to accounts receivable ratio % (Bad debts including provision for doubtful debts/ Average trade receivables) - Not annualised	0.05%	-	0.04%	0.05%	0.04%	0.05%
4	Debtors turnover (Sale of products/ Average trade receivables) - Annualised	7.51	8.13	7.37	8.57	8.04	8.33
5	Inventory turnover (Sale of products/ Average inventory) - Annualised	5.80	6.41	6.31	6.47	6.43	6.48
6	Operating margin % (Earnings before interest and tax / Total revenue from operations including other operating income) - Not annualised	20.62%	24.27%	20.52%	22.49%	20.36%	22.60%
7	Net profit margin % (Profit after tax / Total revenue from operations including other operating income) - Not annualised	14.78%	16.39%	13.60%	15.60%	13.43%	15.14%
8	Debt equity ratio (Total debt including lease liabilities/ Total equity)	0.35	0.36	0.38	0.35	0.38	0.38
9	Long term debt to working capital [(Non current borrowings + current maturities of long term borrowings+ lease liabilities)/ Working capital]	1.65	1.50	1.97	1.65	1.97	1.77
10	Total debts to total assets (Total debt including lease liabilities/ Total assets)	0.20	0.21	0.23	0.20	0.23	0.22
11	Current ratio (Total current assets/ Total current liabilities)	1.25	1.32	1.28	1.25	1.28	1.35
12	Current liability ratio (Total current liabilities/ Total liabilities)	0.64	0.65	0.68	0.64	0.68	0.61

- Nomination and Remuneration Committee in its meeting held on July 21, 2022 allotted 3,800 equity shares of Rs. 10 each fully paid up to an eligible employee under Part B- SRF ESPS 2018 (ESPS Scheme) of SRF Long Term Share Based Incentive Plan (SRF LTIP). Trading approval in respect of these shares has been received from both BSE Ltd and National Stock Exchange of India Ltd. The proportionate cost relating to these shares allotted, along with Rs. 0.35 Crore consequential withholding tax, has been recognised as "Employee Benefits Expense".

Post the issuance of shares under ESPS Scheme, the total paid up equity share capital of the Company has increased from Rs. 296,42,10,250 to Rs. 296,42,48,250.

- During the quarter, the Company has received a favorable income tax assessment order pertaining to a prior year. According to the Order, the Company is eligible for a refund of Rs. 52.32 Crores (including interest of Rs. 20.15 Crores, as other income), which has been recognised in the statement of profit and loss.

As

Chairman





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NOTES TO STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

8 Standalone unaudited statement of assets and liabilities as at September 30, 2022

Particulars	(Rs. in Crores)	
	As at	
	30-Sep-22 Unaudited	31-Mar-22 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	6621.46	5750.50
Right-of-use assets	253.33	255.35
Capital work-in-progress	1762.07	1617.04
Other intangible assets	105.58	108.13
Financial assets		
Investments	92.82	92.82
Loans	283.89	410.05
Others financial assets	56.91	140.53
Non-current tax assets (net)	73.63	21.31
Other non-current assets	173.39	207.48
Total non-current assets	9423.08	8603.21
Current assets		
Inventories	1932.95	1750.88
Financial assets		
Investments	324.50	316.74
Trade receivables	1431.01	1350.99
Cash and cash equivalents	227.95	319.64
Bank balances other than above	8.90	8.87
Loans	357.91	178.42
Other financial assets	185.91	226.51
Other current assets	312.02	179.96
Total current assets	4781.15	4332.01
Assets classified as held for sale	-	3.00
Total assets	14204.23	12938.22
EQUITY AND LIABILITIES		
Equity		
Equity share capital	297.44	297.44
Other equity	7955.26	7327.36
Total equity	8252.70	7624.80
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1054.15	1189.73
Lease liabilities	93.08	95.18
Other financial liabilities	236.74	153.53
Provisions	46.13	44.86
Deferred tax liabilities (net)	685.71	613.04
Total non-current liabilities	2115.81	2096.34
Current liabilities		
Financial liabilities		
Borrowings	1734.37	1585.17
Lease liabilities	23.73	20.66
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	71.21	55.98
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1568.23	1284.39
Other financial liabilities	302.37	148.15
Other current liabilities	87.26	107.56
Provisions	8.22	5.42
Current tax liabilities (net)	40.33	9.75
Total current liabilities	3835.72	3217.08
Total liabilities	5951.53	5313.42
Total equity and liabilities	14204.23	12938.22





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NOTES TO STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

9 Standalone unaudited cash flow statement for the half year ended September 30, 2022

(Rs. in Crores)

Particulars	Half Year Ended	
	30-Sep-22	30-Sep-21
	Unaudited	Unaudited
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1298.45	872.12
Adjustments for:		
Finance costs	67.50	42.13
Interest Income	(37.15)	(17.54)
Net gain on sale of property, plant and equipment	(1.53)	(0.13)
Net gain on financial assets measured at fair value through profit and loss	(3.90)	(8.11)
Credit impaired assets provided / written off	0.74	0.50
Depreciation and amortisation expense	219.83	206.27
Property, plant and equipment and inventory discarded / provided / (written back)	(0.82)	9.22
Provision / liabilities no longer required written back	(22.90)	(0.05)
Net unrealised currency exchange fluctuation (gain) / loss	2.17	(21.09)
Employee share based payment expense	4.18	0.49
Stamp duty on purchase of investments	0.02	0.05
Adjustments for (increase) / decrease in operating assets:-		
Trade receivables	(70.32)	(182.86)
Inventories	(180.45)	(201.40)
Loans (current)	(0.29)	(0.28)
Loans (non-current)	(24.73)	(1.68)
Other assets (current)	(153.86)	28.49
Other assets (non-current)	(7.29)	9.82
Adjustments for increase/ (decrease) in operating liabilities:-		
Trade payables	283.56	136.04
Provisions	4.07	3.92
Other liabilities (current)	45.24	4.43
Cash generated from operations	1422.52	880.34
Income taxes paid (net of refunds)	(192.91)	(121.92)
Net cash generated from operating activities	1229.61	758.42
B CASH FLOW FROM INVESTING ACTIVITIES		
Net sale/ (purchases) of current investments	(3.86)	(163.42)
Stamp duty on purchase of investments	(0.02)	(0.05)
Interest received	12.08	14.31
Bank balances not considered as cash and cash equivalents	29.85	135.17
Payment for purchase of property, plant and equipment, capital work-in-progress and other intangible assets	(1099.49)	(538.54)
Proceeds from disposal of property, plant and equipment	2.49	1.11
Loans given to subsidiaries (net)	(7.18)	-
Net cash used in investing activities	(1066.13)	(551.42)



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NOTES TO STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022**9 Standalone unaudited cash flow statement for the half year ended September 30, 2022**

(Rs. in Crores)

Particulars	Half Year Ended	
	30-Sep-22	30-Sep-21
	Unaudited	Unaudited
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(465.18)	(180.38)
Net proceeds from short term borrowings	398.33	94.18
Dividends on equity share capital paid	(106.60)	(71.24)
Payment towards lease liability	(14.35)	(8.42)
Finance costs paid	(67.37)	(40.20)
Net cash used in financing activities	(255.17)	(206.06)
Net increase / (decrease) in cash and cash equivalents	(91.69)	0.94
Cash and cash equivalents at the beginning of the period	319.64	86.72
Cash and cash equivalents at the end of the period	227.95	87.66





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NOTES TO STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

10 Limited Review:

The Limited Review, as required under Regulation 33 and Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 has been completed by the Statutory Auditors.

Place : Gurugram
Date : November 03, 2022

For and on behalf of the Board

Ashish Bharat Ram
Chairman and Managing Director



BSR & Co. LLP

Chartered Accountants

Building No.10, 12th Floor, Tower-C,
DLF Cyber City, Phase-II,
Gurugram – 122 002, India

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Fax: +91 124 235 8613

Limited Review Report on unaudited consolidated financial results of SRF Limited for the quarter ended 30 September 2022 pursuant to Regulation 33 and Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021

To the Board of Directors of SRF Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of SRF Limited (“the Parent”), and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) for the quarter ended 30 September 2022 and year-to-date results for the period from 01 April 2022 to 30 September 2022 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 and Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”), as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021.
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) of the Listing Regulations, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Holding Company:

SRF Limited

Subsidiaries:

- a. SRF Global BV
- b. SRF Flexipak (South Africa) (Pty) Limited
- c. SRF Industries (Thailand) Limited
- d. SRF Industex Belting (Pty) Limited



Subsidiaries (continued):

- e. SRF Europe Kft
- f. SRF Holiday Home Limited
- g. SRF Employees Welfare Trust (controlled trust)
- h. SRF Altech Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) of the Listing Regulations, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial information of three Subsidiaries included in the Statement, whose interim financial information reflect total assets of Rs. 3,342.47 crores (before consolidation adjustments) as at 30 September 2022 and total revenues of Rs. 759.82 crores (before consolidation adjustments) and Rs. 1,614.40 crores (before consolidation adjustments), total net profit after tax of Rs. 39.23 crores (before consolidation adjustments) and Rs. 142.53 crores (before consolidation adjustments) and total comprehensive income of Rs. 38.97 crores (before consolidation adjustments) and Rs. 142.17 crores (before consolidation adjustments), for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022 respectively, and cash outflows (net) of Rs. 28.93 crores (before consolidation adjustments) for the period from 1 April 2022 to 30 September 2022, as considered in the unaudited consolidated financial results. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Parent's management and our conclusion on the Statement, 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 the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

7. The subsidiaries mentioned in paragraph 6 above are located outside India whose interim financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Parent and reviewed by us.

Our conclusion is not modified in respect of this matter.



BSR & Co. LLP

8. The Statement includes the interim financial information of four Subsidiaries which have not been reviewed, whose interim financial information reflect total assets of Rs. 266.58 crores (before consolidation adjustments) as at 30 September 2022 and total revenues of Rs. 40.21 crores (before consolidation adjustments) and Rs. 74.83 crores (before consolidation adjustments), total net profit after tax of Rs. 3.98 crores (before consolidation adjustments) and Rs. 1.97 crores (before consolidation adjustments) and total comprehensive income of Rs. 3.98 crores (before consolidation adjustments) and Rs. 1.97 crores (before consolidation adjustments), for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022 respectively, and cash outflows (net) of Rs. 5.08 crores (before consolidation adjustments) for the period from 1 April 2022 to 30 September 2022, as considered in the Statement. According to the information and explanations given to us by the Parent's management, these interim financial information are not material to the Group.

Our conclusion is not modified in respect of this matter.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022


Kaushal Kishore

Partner

Membership No.: 090075

UDIN:22090075BBWGQV9376

Gurugram

03 November 2022



SRF LIMITED

CONSOLIDATED FINANCIAL RESULTS

FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022



SRF LIMITED

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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

(Rs. in Crores, except per share data)

S.No.	Particulars	Consolidated					
		Quarter Ended			Half Year Ended		Year Ended
		30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
		(1)	(2)	(3)	(4)	(5)	(6)
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations						
	a) Sale of products	3651.03	3852.22	2814.53	7503.25	5493.33	12312.75
	b) Other operating revenues	76.75	42.50	24.44	119.25	45.04	120.91
	Total Revenue from operations	3727.78	3894.72	2838.97	7622.50	5538.37	12433.66
2	Other income ^	32.74	9.85	11.12	42.59	24.90	42.80
3	Total Income	3760.52	3904.57	2850.09	7665.09	5563.27	12476.46
4	Expenses						
	a) Cost of materials consumed	1785.67	1906.96	1502.22	3692.63	2,795.58	6171.10
	b) Purchases of stock-in-trade	62.58	75.13	14.41	137.71	43.82	175.59
	c) Changes in inventories of finished goods, work-in-progress and stock in trade	104.68	(124.32)	(86.55)	(19.64)	(77.58)	(279.75)
	d) Employee benefits expense	195.27	194.21	177.73	389.48	359.73	780.00
	e) Finance costs	44.47	32.50	23.36	76.97	50.83	115.93
	f) Depreciation and amortisation expense	139.30	130.73	130.29	270.03	253.24	517.23
	g) Power and fuel	373.68	410.30	263.82	783.98	495.61	1135.56
	h) Exchange currency fluctuation (gain) / loss	36.08	24.87	(20.60)	60.95	(27.78)	(72.71)
	i) Other expenses	400.71	412.60	312.99	813.31	602.49	1347.96
	Total expenses	3142.44	3062.98	2317.67	6205.42	4495.94	9890.91
5	Profit before tax for the period	618.08	841.59	532.42	1459.67	1067.33	2585.55
6	Tax expense						
	- Tax expense	169.26	233.59	149.97	402.85	289.60	713.94
	- Tax adjustment related to earlier years ^	(32.17)	-	-	(32.17)	-	(17.31)
7	Net Profit after tax for the period	480.99	608.00	382.45	1088.99	777.73	1888.92
8	Other Comprehensive Income						
	A Items that will not be reclassified to profit or loss						
	(i) Gain / (loss) of defined benefit obligation	13.6	(12.41)	2.55	(110.5)	(0.50)	(7.47)
	Income tax on item (i) above	(0.48)	4.34	(0.89)	3.86	0.18	2.55
	B Items that will be reclassified to profit or loss						
	(i) Effective portion of gain/ (loss) on hedging instruments in a cash flow hedge	(134.65)	(162.95)	60.37	(297.60)	21.35	39.99
	Income tax on item (i) above	36.55	47.59	(22.75)	84.14	(9.43)	(13.03)
	(ii) Cost of hedging reserve	16.5	25.9	19.5	42.4	(0.86)	(2.17)
	Income tax on item (ii) above	(0.38)	(0.74)	(0.70)	(1.12)	(1.01)	(0.45)
	(iii) Exchange differences on translation of foreign operations	(55.60)	(52.65)	(50.48)	(109.25)	(46.35)	1.30
9	Total Other Comprehensive Income for the period	(152.55)	(174.23)	(9.95)	(326.78)	(36.62)	20.72
10	Total Comprehensive Income for the period	328.44	433.77	372.50	762.21	741.11	1909.64
11	Paid up equity share capital (Rs.10 each fully paid up)	296.42	296.42	59.25	296.42	59.25	296.42
12	Other equity excluding revaluation reserve	8927.39	8703.78	7466.67	8927.39	7466.67	8267.92
13	Net Worth*	9223.81	9000.20	7525.92	9223.81	7525.92	8564.34
14	Paid Up Debt Capital**	-	250.00	250.00	-	250.00	250.00
15	Debenture Redemption Reserve	-	62.50	62.50	-	62.50	62.50
16	Basic and Diluted EPS for the period (not annualised)	16.23	20.51	12.91	36.74	26.25	63.75

* Net worth = Paid up share capital (excluding forfeited shares) + Other equity

** Paid up Debt Capital comprises of listed Debentures only

^ Refer Note no. 6



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STATEMENT OF CONSOLIDATED UNAUDITED SEGMENT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

Particulars	Consolidated					
	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
	(1)	(2)	(3)	(4)	(5)	(6)
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue						
a) Technical Textiles Business (TTB)	466.22	571.02	557.88	1037.24	1050.81	2085.24
b) Chemicals Business (CB)	1830.16	1722.43	1126.35	3552.59	2240.01	5240.78
c) Packaging Film Business (PFB)	1331.02	1496.00	1071.74	2827.02	2113.02	4779.21
d) Others	100.38	105.60	86.29	205.98	139.93	340.34
Total Segment Revenue	3727.78	3895.05	2842.26	7622.83	5543.77	12445.57
Less: Inter Segment Revenue	-	0.33	3.29	0.33	5.40	11.91
Revenue from Operations	3727.78	3894.72	2838.97	7622.50	5538.37	12433.66
Segment Results						
(Profit before Interest and Tax from each Segment)						
a) Technical Textiles Business (TTB)	62.93	116.21	132.82	179.14	266.50	471.43
b) Chemicals Business (CB)	517.28	520.21	251.07	1037.49	473.36	1396.91
c) Packaging Film Business (PFB)	101.44	295.17	179.51	396.61	416.29	946.33
d) Others	7.59	6.76	5.79	14.35	7.69	20.35
Total Segment Results	689.24	938.35	569.19	1627.59	1163.84	2835.02
Less/(Add):						
i) Finance Costs	44.47	32.50	23.36	76.97	50.83	115.93
ii) Other Unallocable Expenses (Net of Income)	26.69	64.26	13.41	90.95	45.68	133.54
Profit before tax for the period	618.08	841.59	532.42	1459.67	1067.33	2585.55
Segment Assets						
a) Technical Textiles Business (TTB)	1911.74	2022.26	1790.47	1911.74	1790.47	1818.01
b) Chemicals Business (CB)	8445.28	8003.09	6209.81	8445.28	6209.81	7193.65
c) Packaging Film Business (PFB)	5770.74	5940.76	4909.25	5770.74	4909.25	5633.10
d) Others	157.41	186.62	172.85	157.41	172.85	174.94
Total segment assets	16285.17	16152.73	13082.38	16285.17	13082.38	14819.70
e) Unallocable	767.85	663.67	928.22	767.85	928.22	953.91
f) Assets classified as held for sale	-	-	5.22	-	5.22	3.00
Total	17053.02	16816.40	14015.82	17053.02	14015.82	15776.61
Segment Liabilities						
a) Technical Textiles Business (TTB)	446.37	487.63	497.29	446.37	497.29	416.95
b) Chemicals Business (CB)	1262.27	1202.23	833.58	1262.27	833.58	950.33
c) Packaging Film Business (PFB)	1355.41	1606.91	1240.66	1355.41	1240.66	1449.62
d) Others	37.29	566.9	34.34	37.29	34.34	37.02
Total segment liabilities	3101.34	3353.46	2605.87	3101.34	2605.87	2853.92
e) Unallocable	4726.85	4461.71	3883.02	4726.85	3883.02	4357.33
Total	7828.19	7815.17	6488.89	7828.19	6488.89	7211.25



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NOTES TO CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

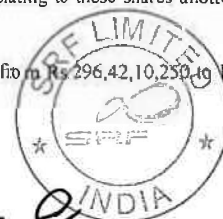
- The above results of SRF Limited ("the Company") and its subsidiaries (Company and its subsidiaries together referred to as "the Group") were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 03, 2022. The review report of the Statutory Auditors is being filed with BSE and National Stock Exchange. For more details on the consolidated results, visit the Investors section of our website at www.srf.com and financial results at Corporates section of www.nseindia.com and www.bseindia.com.
- These financial results of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- Secured Redeemable Non-Convertible Debentures of the face value of Rs.10 Lacs each aggregating to Rs. 250 Crores which were issued and allotted on September 17, 2020 at coupon rate of Three Months T Bill plus 188 bps, have been redeemed along with interest on maturity date, September 16, 2022.
- The listed Commercial Papers aggregating to Rs. 500 Crores were outstanding as on September 30, 2022. The Company's commercial paper programme has been rated as CRISIL A1+ by CRISIL and IND A1+ by India Ratings. During the quarter ended September 30, 2022, the Company has repaid all commercial papers due and payable on the respective due dates.
- Additional disclosures as per Clause 52 (4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015 disclosure :

(Ratios / percentages as applicable)

S No.	Particulars	Consolidated					
		Quarter Ended			Half Year Ended		Year Ended
		30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
		(1)	(2)	(3)	(4)	(5)	(6)
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Debt service coverage ratio ((Earnings before depreciation, interest and tax - current Tax) / (Gross Interest and lease payments+ scheduled principal repayment of long term debts)) - Not annualised	1.68	5.09	4.04	2.63	4.08	4.35
2	Interest service coverage ratio ((Earnings before depreciation, interest and tax- current tax) / Gross interest and lease payments)) - Not annualised	13.46	25.11	20.25	17.98	20.81	20.99
3	Bad debts to accounts receivable ratio % (Bad debts including provision for doubtful debts/ Average trade receivables) - Not annualised	0.07%	-	0.04%	0.08%	0.04%	0.06%
4	Debtor turnover (Sale of products / Average trade receivables)- Annualised	7.27	7.82	7.23	8.20	7.85	8.03
5	Inventory turnover (Sale of products / Average inventory) - Annualised	5.93	6.56	6.55	6.66	6.77	6.83
6	Operating margin% (Earnings before interest and tax/ Total revenue from operations including other operating income) - Not annualised	17.77%	22.44%	19.58%	20.16%	20.19%	21.73%
7	Net profit margin % (Profit after tax / Total revenue from operations including other operating income) - Not annualised	12.90%	15.61%	13.47%	14.29%	14.04%	15.19%
8	Debt equity ratio (Total debt including lease liabilities/ Total equity)	0.42	0.41	0.45	0.42	0.45	0.43
9	Long term debt to working capital ((Non current borrowings + current maturity of long term borrowings+ lease liabilities)/ Working capital)	3.98	3.25	7.33	3.98	7.33	3.22
10	Total debts to Total assets (Total debt including lease liabilities/ Total assets)	0.22	0.22	0.24	0.22	0.24	0.23
11	Current ratio (Total current assets/ Total current liabilities)	1.12	1.15	1.08	1.12	1.08	1.18
12	Current liability Ratio (Total current liabilities/ Total liabilities)	0.64	0.66	0.65	0.64	0.65	0.62

- During the quarter, the Company has received a favorable income tax assessment order pertaining to a prior year. According to the Order, the Company is eligible for a refund of Rs.52.32 crores (including interest of Rs.20.15 crores, as other income), which has been recognised in these consolidated statement of profit and loss.
- Nomination and Remuneration Committee in its meeting held on July 21, 2022 allotted 3,800 equity shares of Rs 10 each fully paid up to the eligible employee under Part B- SRF ESPS 2018 (ESPS Scheme) of SRF Long Term Share Based Incentive Plan (SRF LTIP). Trading approval in respect of these shares has been received from both BSE Ltd and National Stock Exchange of India Ltd. The proportionate cost relating to these shares allotted, along with Rs. 0.35 crore consequential withholding tax, has been recognised as "Employee Benefits Expense".

Post the issuance of shares under ESPS Scheme, the total paid up equity share capital of the Company has increased from Rs.296,42,10,250 to Rs. 296,42,48,250.





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NOTES TO CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

8 CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2022

Particulars	(Rs. in Crores)	
	As at	As at
	30-Sep-22	31-Mar-22
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	8767.09	8050.54
Right-of-use assets	281.79	255.35
Capital work-in-progress	1843.47	1671.63
Other intangible assets	114.70	119.40
Financial assets		
Investments	4.16	4.16
Loans	39.45	14.72
Others financial assets	56.89	140.52
Deferred tax assets	15.61	11.60
Non Current tax assets (net)	73.64	21.31
Other non-current assets	291.84	233.06
Total non-current assets	11488.54	10522.29
Current assets		
Inventories	2369.94	2138.47
Financial Assets		
Investments	324.50	316.74
Trade receivables	1868.92	1792.45
Cash and cash equivalents	325.04	450.48
Bank balances other than above	38.90	8.87
Loans	902	880
Other financial assets	186.82	225.83
Other current assets	441.24	309.68
Total current assets	5564.38	5251.32
Assets classified as held for sale	-	3.00
Total assets	17053.02	15776.61
EQUITY AND LIABILITIES		
Equity		
Equity share capital	297.44	297.44
Other equity	8927.39	8267.92
Total equity	9224.83	8565.36
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1674.19	1753.30
Lease liabilities	94.12	95.18
Other financial liabilities	236.74	153.86
Provisions	53.02	51.58
Deferred tax liabilities (net)	744.32	677.46
Other non-current liabilities	35.78	39.56
Total non-current liabilities	2838.17	2770.94
Current liabilities		
Financial Liabilities		
Borrowings	2041.08	1786.05
Lease liabilities	23.74	20.66
Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	71.21	55.98
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2172.16	2040.37
Other financial liabilities	526.81	371.70
Other current liabilities	100.97	143.97
Provisions	9.92	7.38
Current tax liabilities (net)	44.13	14.20
Total current liabilities	4990.02	4440.31
Total liabilities	7828.19	7211.25
Total equity and liabilities	17053.02	15776.61



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NOTES TO CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

9 CONSOLIDATED UNAUDITED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

(Rs. in Crores)

Particulars	Half Year Ended	
	30-Sep-22	30-Sep-21
	Unaudited	Unaudited
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,459.67	1,067.33
Adjustments for:		
Finance costs	76.97	50.83
Interest income	(31.07)	(13.39)
Net gain on sale of property, plant and equipment	(1.53)	(0.13)
Net gain on financial assets measured at fair value through profit and loss	(3.90)	(8.11)
Credit impaired assets provided / (written back)	1.47	0.50
Amortisation of grant income	(0.47)	(0.90)
Depreciation and amortisation expense	270.03	253.24
Property, plant and equipment and inventory discarded / provided	(0.82)	9.18
Provision / liabilities no longer required written back	(22.90)	(0.05)
Net unrealised currency exchange fluctuations (gain) / loss	23.75	(11.59)
Employee share based payment expense	4.18	0.49
Stamp duty on purchase of investments	0.02	0.05
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets :		
Trade receivables	(128.85)	(257.05)
Inventories	(263.50)	(335.64)
Loans (Current)	(0.34)	0.35
Loans (Non-current)	(24.73)	(1.68)
Other assets (Current)	(165.19)	6.95
Other assets (Non-current)	(7.29)	9.82
Adjustments for increase/ (decrease) in operating liabilities :		
Trade payables	206.97	332.37
Provisions	4.64	4.63
Other liabilities (Non-current)	(0.33)	-
Other liabilities (Current)	38.26	(14.09)
Cash generated from operations	1,435.04	1,093.11
Income taxes paid (net of refunds)	(214.94)	(138.67)
Net cash generated from operating activities	1,220.10	954.44
B CASH FLOW FROM INVESTING ACTIVITIES		
Net Sale/ (purchases) of current investments	(3.86)	(163.42)
Stamp duty on purchase of investments	(0.02)	(0.05)
Interest received	7.59	8.73
Bank balances not considered as cash and cash equivalents	0.31	135.19
Payment for purchase of property, plant, equipment, capital work-in-progress and intangible assets	(1,239.55)	(662.83)
Upfront payment made for acquisition of Right of use land	(27.57)	-
Proceeds from disposal of property, plant and equipment	0.81	1.11
Net cash used in investing activities	(1,262.29)	(681.27)

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NOTES TO CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

9 CONSOLIDATED UNAUDITED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

(Rs. in Crores)

Particulars	Half Year Ended	
	30-Sep-22	30-Sep-21
	Unaudited	Unaudited
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	125.69	114.15
Repayment of long term borrowings	(484.51)	(218.51)
Net proceeds / (repayment) from short term borrowings	485.33	(25.88)
Dividends on equity share capital paid	(106.60)	(71.24)
Payment towards lease liability	(14.38)	(8.42)
Finance costs paid	(79.59)	(46.24)
Net cash used in financing activities	(74.06)	(256.14)
D EFFECT OF EXCHANGE RATE MOVEMENTS	(9.19)	(0.88)
Net increase in cash and cash equivalents	(125.44)	16.15
Cash and cash equivalents at the beginning of the period	450.48	138.29
Cash and cash equivalents at the end of the period	325.04	154.44

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NOTES TO CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

10 Limited Review:

The Limited Review, as required under Regulation 33 and Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 has been completed by the Statutory Auditors.

For and on behalf of the Board

Place : Gurugram

Date: November 03, 2022

Ashish Bharat Ram

Chairman and Managing Director

