The BSE Ltd.
BSE's Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort,
Mumbai 400 001

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra-Kurla Complex
Bandra (E)
Mumbai- 400 051

SRF/SEC/AGM-50/2021

07th August, 2021

Dear Sir,

Sub: Annual Report of 50th Annual General Meeting- SRF Limited

In Compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find attached 50th Annual Report of SRF Limited.

The Annual Report can also be accessed at the company's website at: www.srf.com

Request to kindly take this intimation on record.

Thanking you,

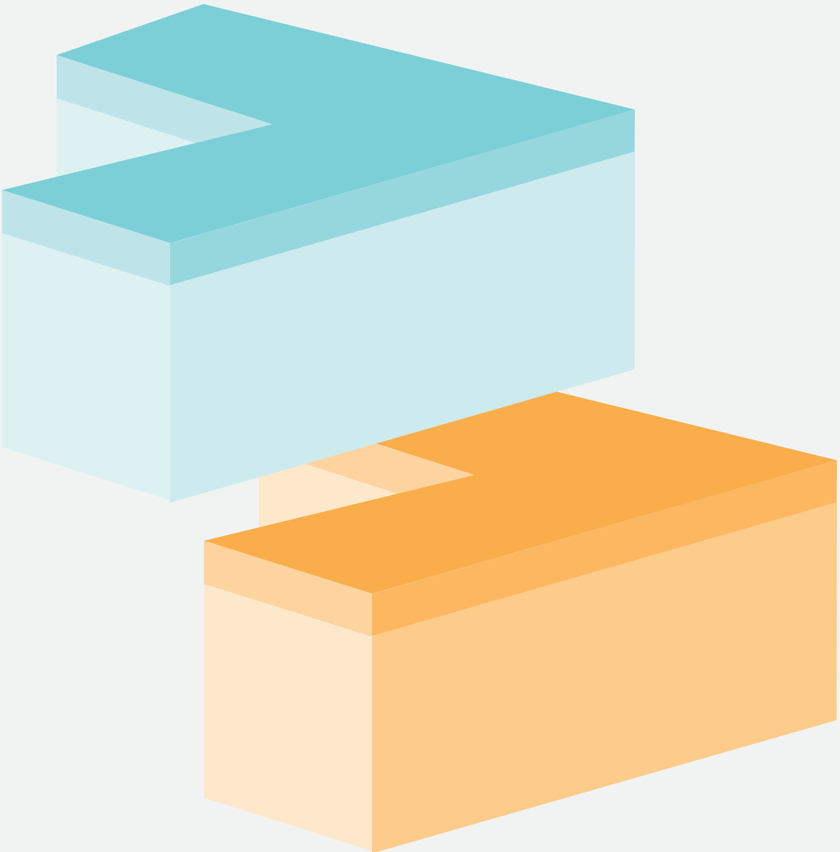
Yours faithfully,
For **SRF LIMITED**

Rajat Lakhanpal
VP (Corporate Compliance) & Company Secretary

Encl : A/a

SRF LIMITED
Block-C Sector'45
Gurugram 122 003
Haryana India
Tel: +91-iZA—4354400
Fax: +91-124—4354500
E-mail: info@srf.com
Website : www.srf.com
Regd. Office:
Unit No. 236 Sr 237, 2nd Floor
DLF Galleria, Mayur Plate
Noida Link Road
Mayur Vihar Phase 1 Extension
Delhi 110091

We always find a better way



ACCELERATING GROWTH.

SCALING NEW HEIGHTS.

ANNUAL REPORT
2020-21

CONTENTS

To view the Annual Report, scan this code or visit: https:www.srf.com/investors/reports-and-results

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

276 SCHOOLS

21 LOCATIONS

9 INDIAN STATES

IMPARTING QUALITY EDUCATION TO MORE THAN

81,310+ STUDENTS

MARKET LEADERSHIP

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 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."

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 Viralimalai, 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

CONTENTS

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 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, 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

7,745 MWH
ENERGY SAVINGS THROUGH ENERGY EFFICIENCY INITIATIVES

792 TJ
ENERGY CONSUMED FROM RENEWABLES AND BIOMASS

675 MN LTR
RECYCLED WATER CONSUMPTION

6,386
TOTAL WORKFORCE

7%+
INCREASE IN FEMALE EMPLOYEES AT THE MANAGEMENT LEVEL COMPARED TO FY 2019-20

53
REDUCTION IN FIRST-AID CASES COMPARED TO FY 2019-20

30%
INCREASE IN CSR BENEFICIARIES COMPARED TO FY 2019-20

36
PATENTS FILED

INR 100+ CR.
R&D SPEND

INR 2.5 CR.
COVID-19 RESPONSE EXPENDITURE

16%+
INCREASE IN GROSS OPERATING REVENUE COMPARED TO FY 2019-20

INR 1,255 CR.
CAPITAL EXPENDITURE

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.

SRF's governance structure

Board

Director – Safety & Environment and Director – BRR are represented at the Board

Environmental & related regulations governing SRF | Audit Committee | Stakeholders Relationship Committee | Nomination and Remuneration Committee | Risk Management Committee | CSR Committee

Corporate Leadership Team

Process Owners

SRF's Codes and Policies govern the various aspects related to ESG

(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)

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.

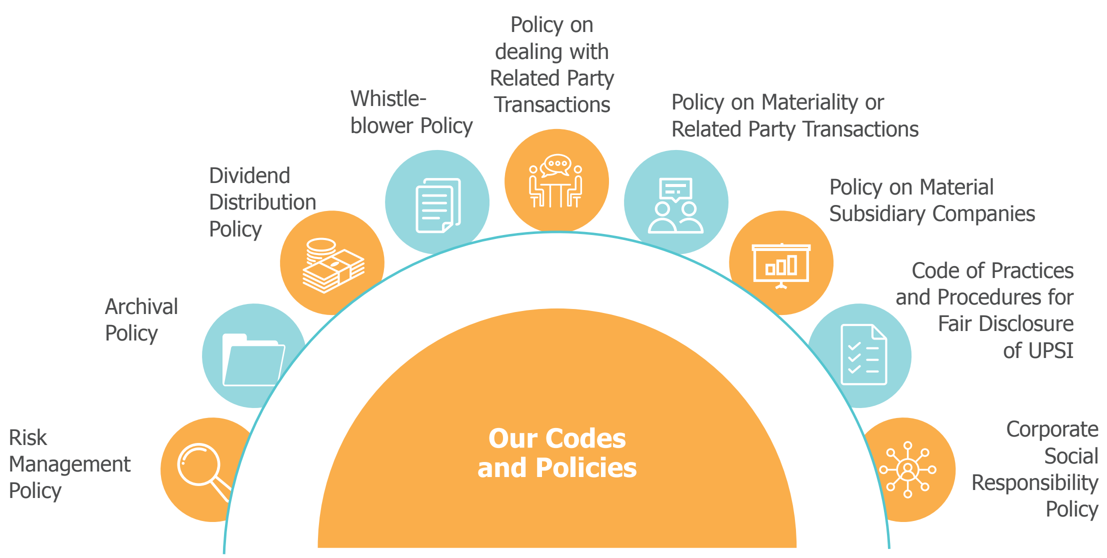
Business Responsibility Report
Principle 1

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)

Key aspects of the Code of Conduct

Equal employment opportunity	Sexual harassment	Invention/innovation	Insider trading
Conduct with customers & suppliers	Company policies and records	Gifts and entertainment	Conflict of interest

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

Identity	Plan	Engage and consult	Monitor and Report
▪ Identify internal and external stakeholders relevant to SRF ▪ Identify and prioritize key issues critical to each of the identified stakeholder groups	▪ Establish objectives and scope of the stakeholder engagement ▪ Allocate time, resources and responsibilities ▪ Design engagement strategy ▪ Design modes of communication for each stakeholder	▪ Engage with each stakeholder group through interviews, etc. ▪ Share contextual information with stakeholders ▪ Follow-up sessions for feedback on identified material issues	▪ 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

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	▪ 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	▪ Company website ▪ Quarterly publication of results followed by earning call ▪ Periodic Analysts' briefing and individual discussions between fund managers and the management team	▪ Managing Director (MD), Chief Financial Officer (CFO) and Investor Relations
Customers	▪ 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	▪ Customer visits / audit and meetings ▪ Customer recognition/ awards programmes ▪ Customer satisfaction surveys ▪ Joint development & product reengineering	▪ Marketing ▪ Technical services ▪ Customer Relationship Management
Suppliers	▪ Fair and transparent dealing ▪ Consistent business and economic growth ▪ Joint exploration of potential opportunities ▪ Maintain confidentiality of supplier data	▪ Supplier evaluation programme ▪ Periodic meetings ▪ Visits to supplier's facilities	▪ Sourcing

Stakeholder group	Key expectations	Modes of communication	Key responsible groups
Employees	▪ 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	▪ 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	▪ Human Resources
Local Communities	▪ Local employment ▪ Skill development and education ▪ Local infrastructure development ▪ Conservation of natural environment ▪ Ensuring health and safety of nearby community	▪ 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	▪ SRF Foundation (Corporate Social Responsibility arm of SRF) ▪ Plant-level CSR
Regulatory bodies	▪ Compliance with applicable laws and regulations ▪ Participation and contribution to various initiatives	▪ Adherence to reporting requirements ▪ Industry representation on key matters	▪ 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	▪ Detailed policy guidelines to deal with key financial risks. ▪ Robust processes & systems for ensuring timely reporting and compliance with applicable regulatory framework.
Regulatory Risks	▪ 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	▪ 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	▪ 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	▪ 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.

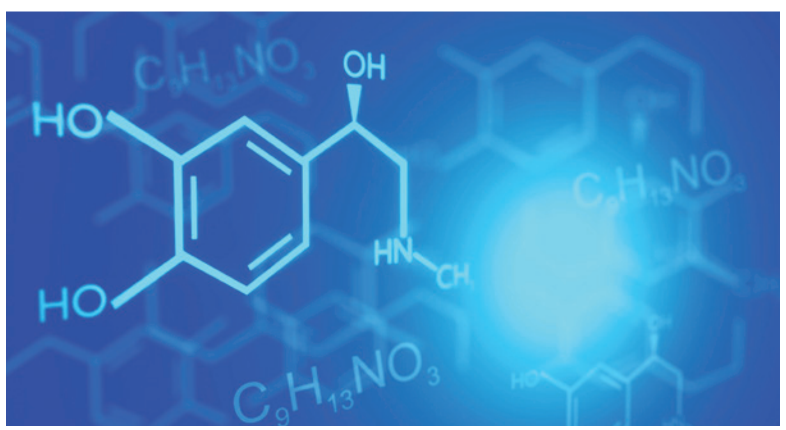
The 'Aspirations 2025' are supported by the overarching Core Values **"RINEW" - Respect, Integrity, Non-Discrimination, Excellence and Well-being.** The values are instrumental in achieving the key pillars of the aspirations, including operational excellence, customer advocacy, pushing boundaries of 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

- Operational
- Financial
- IT & Cyber-security
- Strategic
- Regulatory

Material aspects	Strategic focus areas	Progress in FY 2020-21
Energy management GHG and air emissions Water and effluents Waste management Material Total Quality management	▪ 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	▪ 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
Employment Occupational health and safety Local communities	▪ 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	▪ 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
Economic performance	▪ 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	▪ 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)
Corporate Governance Risk management	▪ 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	▪ 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

For details on progress, please refer to the capitals section.

Aspirations 2025

- **Operational Excellence**
- **Professional Reputation and Value System**
- **Customer Advocacy**
- **Innovation and Technology Leadership**

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.

RESOURCE CAPITAL → INPUTS → VALUE CREATION APPROACH → OUTPUT → LONG-TERM VALUE CREATION

Economic

Financial Capital

Inputs:
- Operating cost – INR 6,267 Crore
- Gross Debt – INR 3,468 Crore
- Cash generating business model

Output:
- Debt to EBITDA Ratio – 1.59
- Debt to Equity Ratio – 0.51
- Revenue – INR 8,400 Crore
- Cash generated from operations – INR 1,772 Crore
- Dividend pay-out – INR 24 per share (INR 141 Crore)
- Tax paid

Long-term value creation:
- Sustainable cash flow and strong liquidity position aiding robust balance sheet position
- Healthy dividend pay-out for investors
- Unlocking future growth potential

Manufactured Capital

Inputs:
- CAPEX – INR 1,255 Crore
- Innovative product solution
- Plant automation and backward integration of value chain
- Efficient production processes

Output:
- Sales volume expansion
- Export to 75+ Countries
- SRF is the only fully Backward integrated manufacturer of Ozone friendly Refrigerant gases

Long-term value creation:
- Strong Leadership position in key segments
- Diverse product portfolio with multi-location facilities designed to service large customers
- Efficient manufacturing process driven through TQM principles
- Optimum utilization of manufacturing capacity

Intellectual Capital

Inputs:
- 400+ employees in R&D, Engineering & Scale-ups (Chemical Technology Group)
- R&D spend – INR 100+ Crore
- Process Patents applied – 36
- 5 state-of-the-art R&D facilities

Output:
- No. of patents granted in current reporting period – 23
- Total patents granted – 93
- Commercialization of new products

Long-term value creation:
- Robust product pipeline with continuous development
- Re-engineering of products in collaboration with customers
- Ability to handle complex chemistries with deep domain expertise

Social

Human Capital

Inputs:
- Structured Learning & Development
- Training man-hours – 81,321
- Health & safety standards as per Best in class practices

Output:
- Low attrition rate
- Healthy & safe workplace
- Employee Engagement Survey Score – 93%

Long-term value creation:
- Talent attraction & retention
- Productive workforce
- High employee engagement & satisfaction levels

Social Capital

Inputs:
- Community investment – INR 10.18 Crore
- Healthy relationships with customers, suppliers and other stakeholders, supported by technology and robust processes
- Continuous engagement & long-term relationship with stakeholders

Output:
- Total number of beneficiaries of CSR initiative – 1,14,285
- Stakeholder recognition and satisfaction

Long-term value creation:
- Upliftment of the society
- Build a socially responsible business
- Customer retention

Environment

Natural Capital

Inputs:
- Strong focus on the use of renewable energy
- Renewable energy used – 792 TJ
- Water procured – 4,613 Million Litres
- Total energy consumption – 8,615 TJ

Output:
- Energy savings – 7,745 MWh
- Reduction in GHG emissions
- Adequate waste disposal mechanism
- Efficient use of natural resources and reduced consumption
- Biodiversity preservation

Long-term value creation:
- Mitigation of climate change impact
- Reduction of environmental footprint
- Demonstrating responsible corporate citizenship

VALUE CREATION APPROACH

Our values

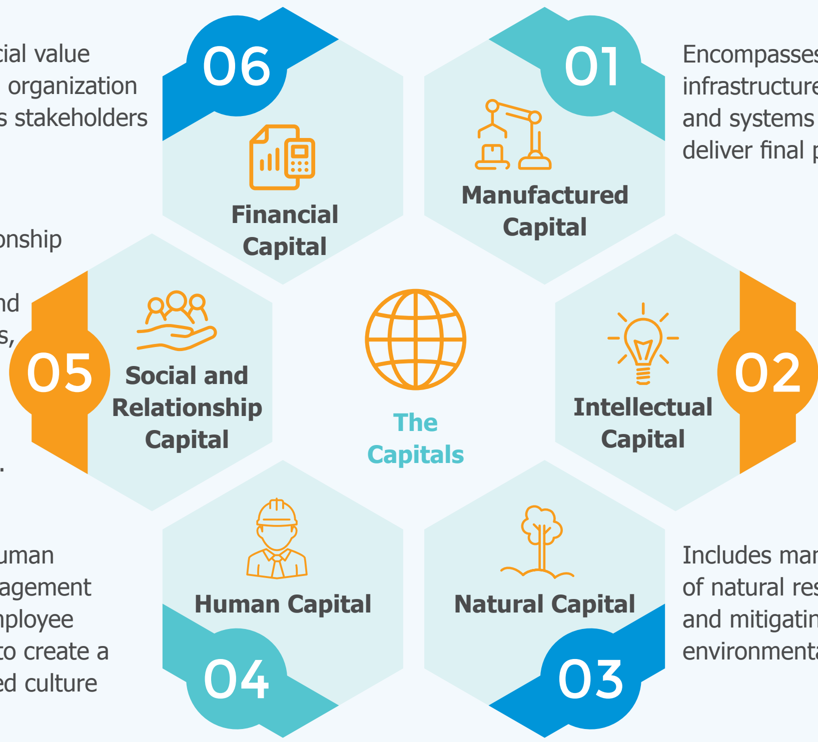
Respect	Integrity	Non-discrimination	Excellence	Well-being

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**.



Includes financial value created for the organization and the various stakeholders

Encompasses physical infrastructure, equipment and systems to deliver final products

Includes relationship between an organization and its stakeholders, such as communities, suppliers, customers, etc.

Builds a culture that promotes research & development and innovation to enhance scientific knowledge

Includes the human resources management system and employee competencies to create a performance-led culture

Includes management of natural resources and mitigating negative environmental impacts

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.

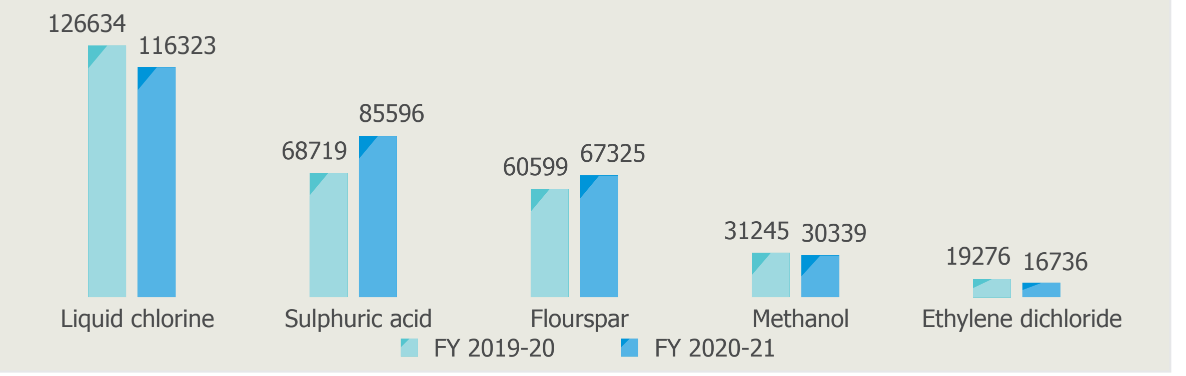
(For details on optimum utilisation of natural resources, please refer to the 'Natural Capital' section, Page 44)

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).

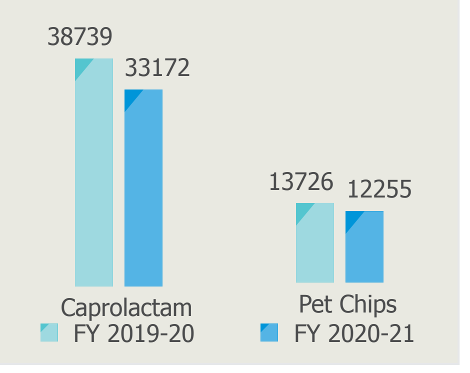
(For details on local procurement and supply chain practices, please refer to the 'Social & Relationship Capital', Page 56)

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)

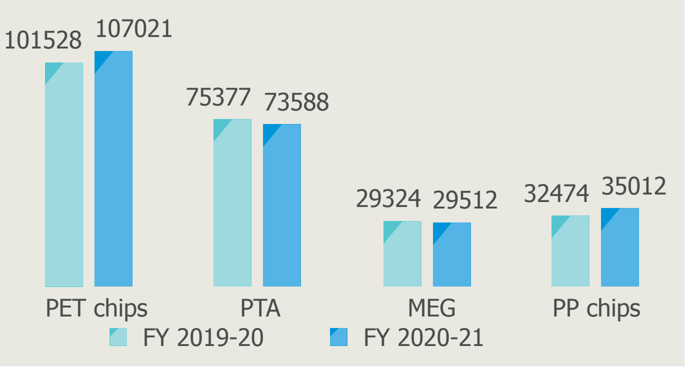
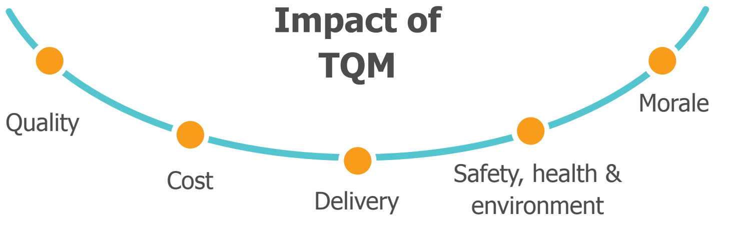


Figure 5: Key input raw materials consumed at SRF across businesses

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)

36
PATENTS FILED

100+
MOLECULES DEVELOPED

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

Business	Location
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

- Energy efficiency & carbon emission mitigation
- Increasing the share of renewable energy
- Water conservation
- Effective waste management practices
- Commitment to biodiversity

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 tCO_2e.

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.

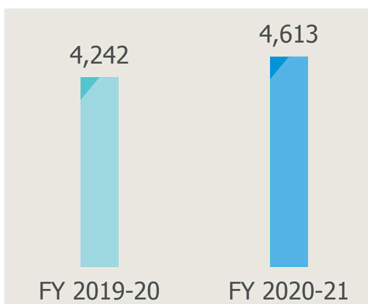
Business Responsibility Report
Principle 6

Water Management

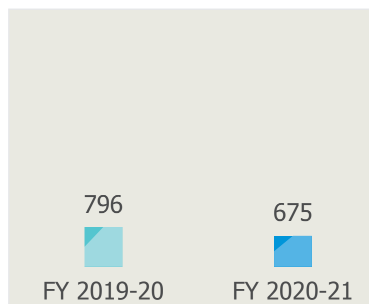
At SRF, water is recognized as a critical resource for business continuity across the entire value chain. SRF is making concentrated efforts to ensure efficient water management to reduce dependency on freshwater and ensure optimum utilization. The Company's strategic focus areas towards effective water 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 & Viralimalai 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)

18,739 HRS

EHS TRAINING IMPARTED TO PERMANENT EMPLOYEES

53

REDUCTION IN NUMBER OF FIRST-AID CASES FOR ALL EMPLOYEES COMPARED TO FY 2019-20

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' – 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.

PROMINENT TRAINING MODULES

- Safety
- Legal compliance
- Prevention of sexual harassment

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

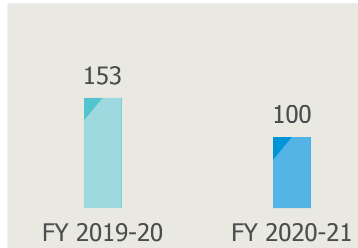
Safety is an integral part of SRF's business philosophy. As a responsible organization, SRF strives to ensure a safe and healthy working environment for its workforce. The Company is committed to design, manufacture, handle, store and distribute its products in a healthy and safe manner to ensure well-being 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.

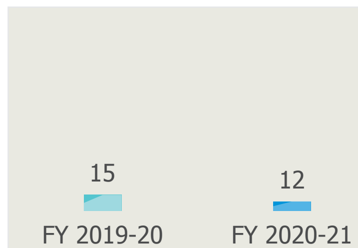
Compared to FY 2019-20, there has been a reduction of 53 first-aid cases or cases involving minor accidents for all employees across SRF. During the reporting year, there has also been no case of dangerous occurrence, i.e., cases involving bursting of a plant due to higher steam pressure, collapse or 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.

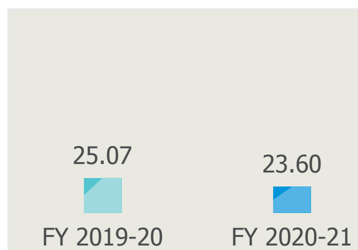
Number of first-aid cases



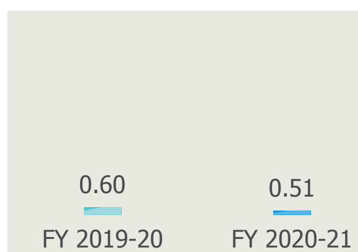
Number of Lost Time Injuries



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

INR 2.5 CR.
COVID-19 RESPONSE EXPENDITURE

1,14,285
TOTAL NUMBER OF BENEFICIARIES

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.

Business Responsibility Report
Principle 8

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

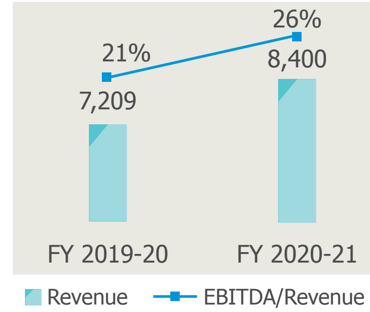
CREATING VALUE FOR ALL STAKEHOLDERS THROUGH ENHANCED ECONOMIC PERFORMANCE

Key highlights

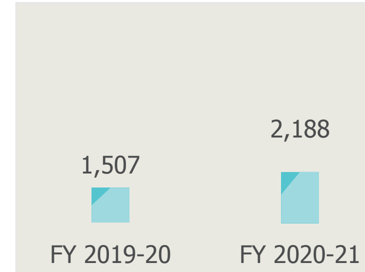
INR 8,400 CR.
REVENUE

INR 2,188 CR.
EBITDA

INR 1,198 CR.
PROFIT AFTER TAX (PAT)



EBITDA (INR Cr.)



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:-

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

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 (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:-

- 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	Principle 2	Principle 3	Principle 4	Principle 5	Principle 6	Principle 7	Principle 8	Principle 9
		Ethics, transparency & Sustainability, accountability	Sustainability in life-cycle of products	Employee well-being	Stakeholder engagement	Promotion of human rights	Environmental protection	Responsible public policy advocacy	Inclusive growth	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	Yea .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 Natural Capital - Waste Management	39 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 Natural Capital - Waste Management	46 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 Natural Capital - Waste Management	46 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 looked 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

Illiyas 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 Illiyas through projects such as rainwater harvesting, waste land restoration, large scale plantation, agriculture intervention, livestock promotion, micro-enterprise development, etc.

Benefitting from the program, Illiyas 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)
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 **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.	**A. NSDL IDeAS facility** **If you are already registered for NSDL IDeAS facility** 1. 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. 2. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. 3. 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. 4. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. 5. 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. **If the user is not registered for IDeAS e-Services,** 1. The option to register is available at https://eservices.nsdl.com. 2. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Upon successful registration, please follow steps given at Point 1 to 5 above. **B. e-Voting website of NSDL** 1. 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. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under Shareholder/Member' section. 3. 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. 4. 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	1. 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. 2. 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. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. 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	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. 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. 3. 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?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. 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:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) 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'?
      (i) 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'.
      (ii) 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:
   a. 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.
   b. **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c. 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.
   d) 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 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	• 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.	• 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.

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

(₹ in Crores)

Particulars	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

(₹ in Crores)

Particulars	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-Familarisation-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
Chairman
(DIN – 00694766)

Date: July 28, 2021
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 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	Evaluation Criteria
Board as a whole	• 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	Evaluation Criteria
Board Committees	• 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 Heath 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 of 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).	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
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 fromthe list of activities in schedule VII to theAct.	(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, Uttrakhand, 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 ofthe Project**	**(4) Financial Year in which the project was commenced**	**(5) Project duration**	**(6) Total amount allocated for theproject (in ₹)**	**(7) Amount spent on theproject 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-

a) 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.

b) 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.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

e) 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) 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:

(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, 1993regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: [Not applicable to the Company during the audit period];

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: [Not applicable to the Company during the audit period]; and

(i) 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.

(vi) 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
CP No.: 13700 / F8488
UDIN: F008488C000697396

Date: July 28, 2021
Place: New Delhi

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 emuneration 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-Exceutive 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 twisters 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 – Viralimalai**
    - 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
- 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.

C) Foreign exchange earnings and outgo

(₹ in Crores)

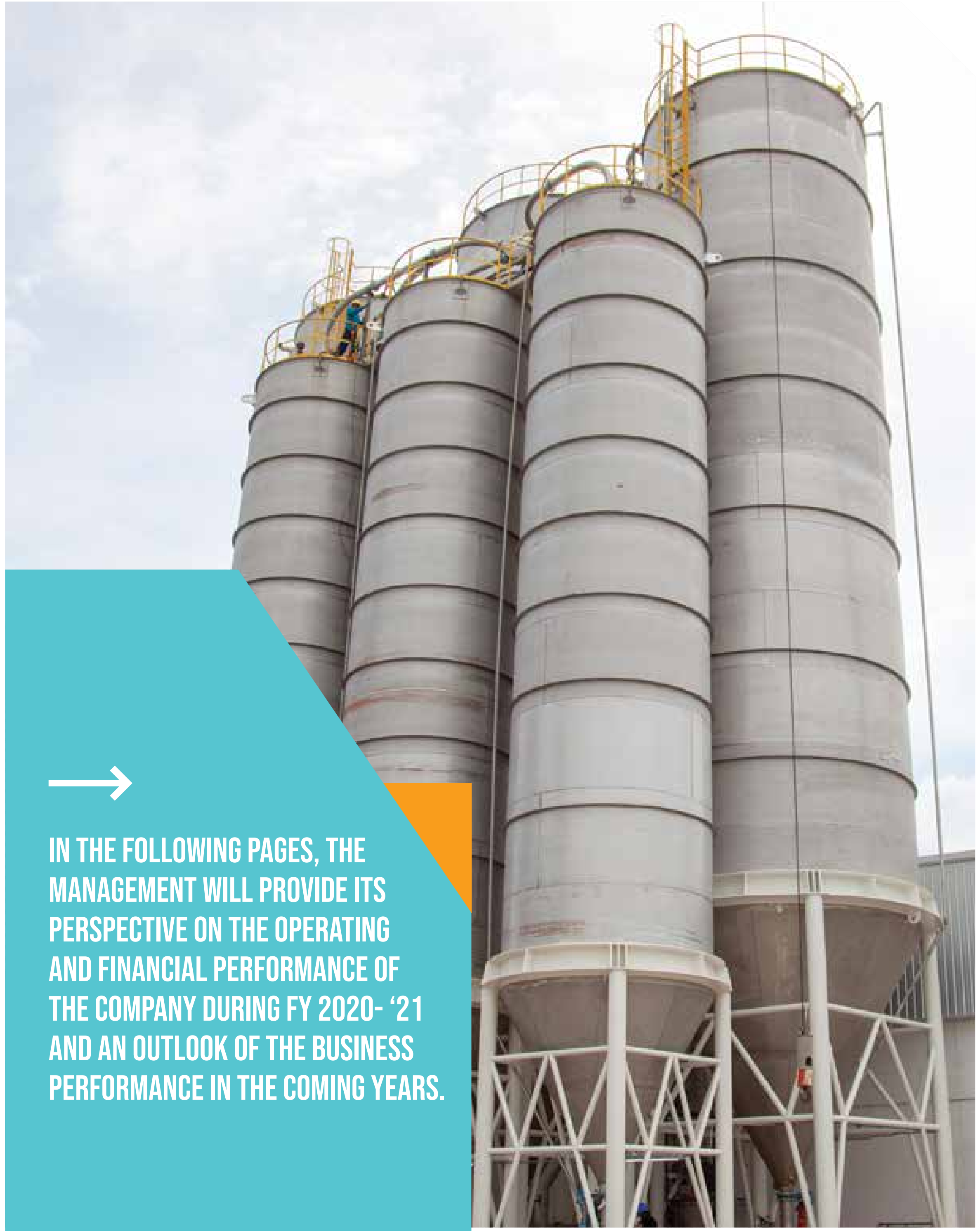
Particulars	Year ended March 31, 2020	Year ended March 31, 2021
Foreign Exchange Earnings	2645.08	3325.05
Foreign Exchange outgo	1808.14	1686.70
Net Foreign Exchange Earnings	836.94	1638.35

For **and on Behalf of the Board**

Arun Bharat Ram
Chairman
(DIN: 00694766)

Date: July 28, 2021
Place: New Delhi

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 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.

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.

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.

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

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.

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

Risk Identification → Risk Assessment → Risk Prioritization → Risk Treatment → Risk Monitoring & Reporting

Board of Directors (BOD) / Audit Committee

Risk Management Committee (RMC)

Corporate Leadership Team (CLT)

Business Leadership Team (BLT) & Risk Owners

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	-	- 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	- 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	- HDFC Life Insurance Company Limited – Independent Director
Puneet Yadu Dalmia	Non-Executive, Independent	1	-	-	- 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.

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/

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

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 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, 2021.

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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.

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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.

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.

Table 14 : Last three AGMs of the Company

Year	Location	Date	Time	No. of Special Resolutions Passed
2017-18	Laxmipat Singhania 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 Singhania 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

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 Lakhanpal, 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

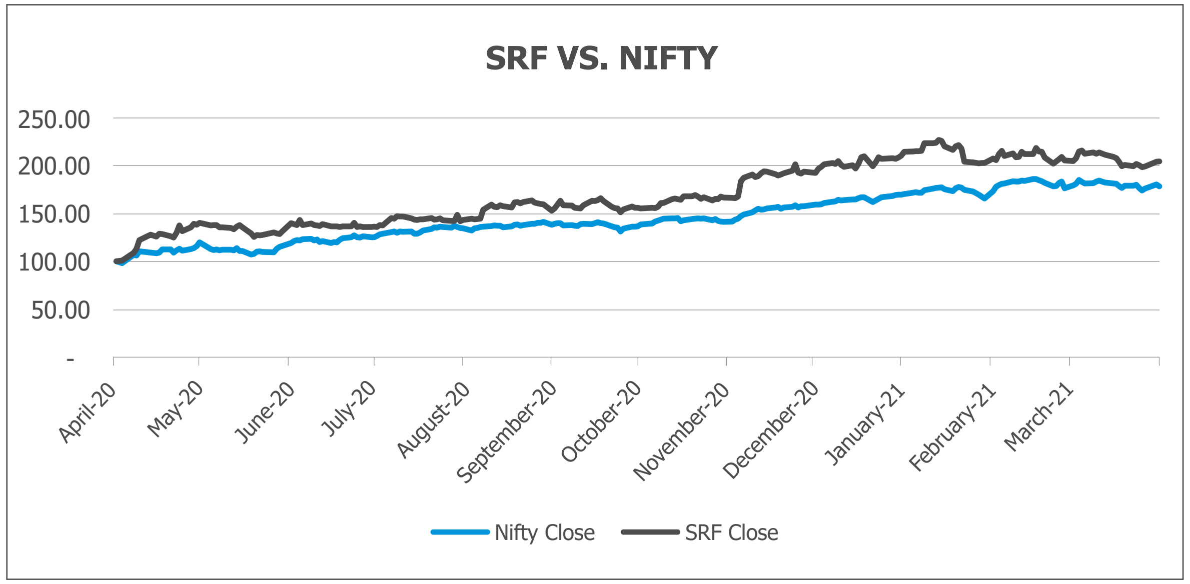
Stock Market Data

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

	BSE			NSE		
Month	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 for 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	• 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	• 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	• 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.

Ashish Bharat Ram
Managing Director

Date: May 5, 2021
Place: New Delhi

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.

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.

The key audit matter	How the matter was addressed in our audit
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. 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.	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. • 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 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 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
Membership No.: 090075
UDIN: 21090075AAAAAJ3973

Place: Delhi
Date: 21 May 2021

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 Gummidipoondi, 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
Membership No. 090075
UDIN: 21090075AAAAAJ3973

Place: Delhi
Date: 21 May 2021

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
Membership No. 090075
UDIN: 21090075AAAAAJ3973

Place: Delhi
Date: 21 May 2021

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

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557
Place : Delhi
Date : May 05, 2021

Rahul Jain
President & CFO
Place : Gurugram
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		

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

Rahul Jain
President & CFO
Place : Gurugram
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

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, pland 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:

(i) 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'.

(ii) During the year, the Company paid in cash ₹ 10.18 Crores (Previous year: ₹ 12.00 Crores) towards corporate social responsibility (CSR) expenditure.

(iii) For cash flow information of discontinued operations, refer note 40(b).

(iv) 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
Date : May 05, 2021

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557
Place : Delhi
Date : May 05, 2021

Rahul Jain
President & CFO
Place : Gurugram
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 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

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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Date : May 05, 2021

Rajat Lakhanpal
Vice President
(Corporate Compliance) and
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.

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 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,

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 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 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 accodance 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 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.

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.

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, 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.

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:

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:

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for the year ended March 31, 2021
(All amounts in ₹ Crores, unless otherwise stated)

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 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.

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 intrument as Fair Value Hedge or Cashflow hedge. The documentation includes the Compnay'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:

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.

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.

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 accountig 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:

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 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 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. 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:

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

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:

(i) 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%).

(ii) 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.

(iii) 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.

(iv) 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.

(v) Refer to note 41 (c) for additions / adjustments on account of exchange difference during the year.

(vi) 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.

(vii) 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:

(i) Refer note 41 (c) for additions / adjustments on account of exchange difference during the previous year.

(ii) 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	-

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

(i) 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.

(ii) Refer Note 15.1 for information on inventories pledged as security by the Company.

(iii) 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

(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, 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**

(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, 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%

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)

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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

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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.

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for the year ended March 31, 2021

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15.1 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* **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.	-	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 immoveable 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.
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* **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	-	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).

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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	**Moveable property** (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). (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). **Immoveable property** (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 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 3(b)(i)) loans aggregating to ₹ 400.99 Crores (Previous Year – ₹ 544.56 Crores) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.

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 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 3(i), the term loans aggregating to:
			(a) ₹ Nil (Previous Year - ₹ 565.48 crores) were to be secured by equitable mortgage of immoveable 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 immoveable 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 immoveable 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 mentioined 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 yeary 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 yeary 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 yeary 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

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

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) Reedemable 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) Reedemable 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)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(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)**

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 probablility 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.

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

	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 liablities		
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**

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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**
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.

(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.

(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 (Hungry)	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

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

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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	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)

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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

(All amounts in ₹ Crores, unless otherwise stated)

	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".

(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:

(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.

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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".

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for the year ended March 31, 2021
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(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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(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

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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 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.

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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(All amounts in ₹ Crores, unless otherwise stated)

	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	-
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**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2021
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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**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

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**

(All amounts in ₹ Crores, unless otherwise stated)

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:

(a) 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.

(b) 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.

(c) 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.

(d) The fair value is determined by using the valuation model/ technique with observable/ non-observable inputs and assumptions.

(e) 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.

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:

(i) Investments in mutual funds and bonds / debentures: 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.

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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(All amounts in ₹ Crores, unless otherwise stated)

	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.

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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)		Maturity: 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).

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.

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)		Maturity: 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	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	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)
Interest rate swap contacts	227.17	1.01	Other financial assets (current and non - current)	1.01	113.70	-	Other financial assets (current and non - current)	(6.14)
		(0.54)	Other financial liabilities (current and non - current)	1.88		(2.42)	Other financial liabilities (current and non - current)	

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	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	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**	**-**

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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 the 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 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 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.

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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
	-	-

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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)**

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(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**

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**

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(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 discontined 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**

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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

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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
Managing Director
DIN - 00671567
Place : Delhi
Date : May 05, 2021

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557
Place : Delhi
Date : May 05, 2021

Rahul Jain
President & CFO
Place : Gurugram
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

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	How the matter was addressed in our audit
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).	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 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.	• 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
Membership No. 090075
UDIN: 21090075AAAAAK7147

Place: Delhi
Date: 21 May 2021

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
Membership No. 090075
UDIN: 21090075AAAAAK7147

Place: Delhi
Date: 21 May 2021

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 Lakhanpal
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 Lakhanpal
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:

(i) 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"

(ii) During the year, the Company paid in cash ₹ 10.18 crores (Previous year: ₹12.00 crores) towards corporate social responsibility (CSR) expenditure.

(iii) For cash flow information of discontinued operations, Refer note 42.

(iv) 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	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
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	Non-cash changes				Lease liability recognised	As at March 31, 2020
			Upfront fees amortised	Exchange fluctuation changes#	Finance cost#	Interim dividend declared^		
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 **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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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

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

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

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 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 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, 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 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

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 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 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021
(All amounts in ₹ Crores, unless otherwise stated)

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:

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 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 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.

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:

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.

   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 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:

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).

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.

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 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 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

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**

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
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:

(i) 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%).

(ii) 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.

(iii) 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.

(iv) 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.

(v) Refer to note 46 (c) for additions/adjustments on account of exchange difference during the year.

(vi) 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.

(vii) Disposals/adjustments during the previous year includes property plant and equipment of discontinued operations. Refer note 42 below.

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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**

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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:

(i) Refer note 46 (c) for additions/adjustments on account of exchange difference during the previous year.

(ii) 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

(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	-	-
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**

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(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**

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(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:

(i) 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.

(ii) 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.

(iii) 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.

(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 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

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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**

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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

(i) 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.

(ii) Refer Note 18.1 for information on inventories pledged as security by the group.

(iii) The method of valuation of inventory has been stated in note 2.12

13. Trade Receivables

Current	As at March 31, 2021	As at March 31, 2020
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**

(i) 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

(ii) 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**

(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, 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.

(iv) 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)

(v) There is no customer who represents more than 10% (Previous year - Nil) of the total balances of trade receivables.

(vi) 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%

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)

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/(reclassed) 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/(reclassed) 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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(All amounts in ₹ Crores, unless otherwise stated)

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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(All amounts in ₹ Crores, unless otherwise stated)

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**

	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* **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.	-	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 immoveable 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.
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* **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.	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).

	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	**Moveable property** (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) (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) **Immoveable property** (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 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 3(b)(i)) loans aggregating to ₹ 400.99 Crores (Previous Year – ₹ 544.56 Crores) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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
			(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 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 3(i), the term loans aggregating to:
			(a) ₹ Nil (Previous Year - ₹ 565.48 crores) were to be secured by equitable mortgage of immoveable 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 immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
(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 immoveable 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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
(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 mentioined 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.

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) Reedemable 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021
(All amounts in ₹ Crores, unless otherwise stated)

6) Reedemable 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).

(All amounts in ₹ Crores, unless otherwise stated)

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
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

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 liablities		
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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for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

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 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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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

NOTES TO THE CONSOLIDATED 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
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.

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(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.

(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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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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	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	^^	-

	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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for the year ended March 31, 2021
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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:

(a) Gratuity

(b) Provident fund for certain category of employees administered through a recognized provident fund trust.

(c) 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.

(All amounts in ₹ Crores, unless otherwise stated)

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%

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.

(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.

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 (Refer note 42)	**(2.73)**	**155.85**
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**

(All amounts in ₹ Crores, unless otherwise stated)

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**

The following methods / assumptions were used to estimate the fair values:

(a) 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.

(b) 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.

(c) 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.

(d) 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:

(i) Investments in mutual funds and bonds/debentures: 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.

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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)		Maturity: 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: Functional currency strengthens by 1%	Year ended March 31, 2021: Functional currency weakens by 1%	Year ended March 31, 2020: Functional currency strengthens by 1%	Year ended March 31, 2020: 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: ₹ loans interest rate decreases by 0.50%	Year ended March 31, 2021: Foreign currency loans interest rate decreases by 0.15%	Year ended March 31, 2020: ₹ loans interest rate decreases by 0.50%	Year ended March 31, 2020: 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.

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* (₹ Crores)		Maturity: 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

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, 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	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	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)
Interest rate swap contacts	227.17	1.01	Other financial assets (current and non - current)	1.01	113.70	-	Other financial assets (current and non - current)	(6.14)
		(0.54)	Other financial liabilities (current and non - current)	1.88		(2.42)	Other financial liabilities (current and non - current)	

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	Change in the value of the hedging instrument recognised in consolidated statement of Profit and loss	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	-	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)

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 the 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.

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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:

	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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021
(All amounts in ₹ Crores, unless otherwise stated)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(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**
(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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for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

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

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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for the year ended March 31, 2021
(All amounts in ₹ Crores, unless otherwise stated)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

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# (subsidiary of SRF Limited)		SRF Flexipak (South Africa) (Pty) 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# (subsidiary of SRF Global BV)		SRF Industex Belting (Pty) Limited# (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 Lakhanpal
Vice President
(Corporate Compliance) and
Company Secretary
Place : Delhi
Date : May 05, 2021

NOTES

SRF

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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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