



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-51/2022

28th June, 2022

Dear Sir,

Sub: Annual Report of 51st Annual General Meeting- SRF Limited


In Compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find attached 51st 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

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Mayur Vihar Phase-1 Extension
Delhi 110091

Annual Report
2021-22



Firmly rooted.
Growing
responsibly.

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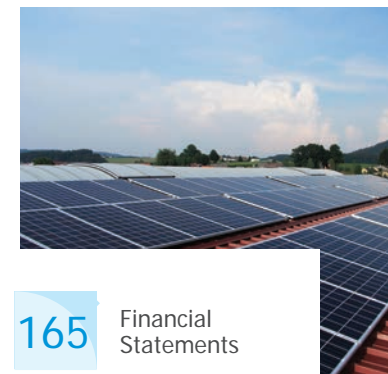
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Chairman's Message



Dear Shareholders,

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

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

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

Firmly rooted. Growing responsibly.

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

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

We will continuously strive to be known for our:

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

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



Financial Performance

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

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

Business Performance

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

Chemicals Business

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

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

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

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

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

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

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

as propel the business forward.

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

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

Packaging Films Business

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

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

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



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

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

Technical Textiles Business

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

Other Businesses

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

Our People are our Real Assets

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

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

Expanding our Community Impact

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

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

In closing

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

Stay well.

Sincerely,

Ashish Bharat Ram

Chairman & Managing Director
SRF Limited

Our Locations

CHEMICALS BUSINESS

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



TECHNICAL TEXTILES BUSINESS

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



National

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

International

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



PACKAGING FILMS BUSINESS

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



OTHER BUSINESSES

Chairman Emeritus



Arun Bharat Ram

Board of Directors



Ashish Bharat Ram
Chairman & Managing Director



Kartik Bharat Ram
Joint Managing Director



Pramod G. Gujarathi
Director,
Safety & Environment



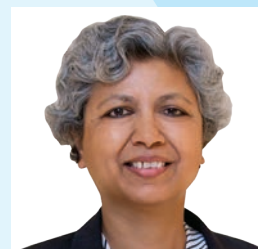
Vellayan Subbiah
Non-Executive,
Non-Independent Director



Tejpreet S Chopra
Independent Director



Lakshman Lakshminarayan
Independent Director



Bharti Gupta Ramola
Independent Director



Puneet Yadu Dalmia
Independent Director



Yash Gupta
Independent Director



Raj Kumar Jain
Independent Director

Corporate Information

Auditors

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

President & CFO

Rahul Jain

Vice President (Corporate Compliance) & Company Secretary

Rajat 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

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Gurugram - 122 003,
Haryana, India

Email: info@srf.com

www.srf.com

Our approach to ESG



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Key ESG Performance Highlights

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

Creating shared value through extensive stakeholder engagement

- Inclusive stakeholder engagement process

Materiality assessment driving long-term value creation

Managing risks strategically for a sustainable tomorrow

Strategy

The Six Capitals

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

Business Responsibility Report

Scope and Boundary

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

SRF's Business Verticals



Chemicals Business

Chemicals Business includes two divisions, namely Speciality Chemicals and Fluorochemicals

Plants in Dahej and Bhiwadi located in Gujarat and Rajasthan respectively

Speciality Chemicals

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

Fluorochemicals

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



Packaging Films Business

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

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

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



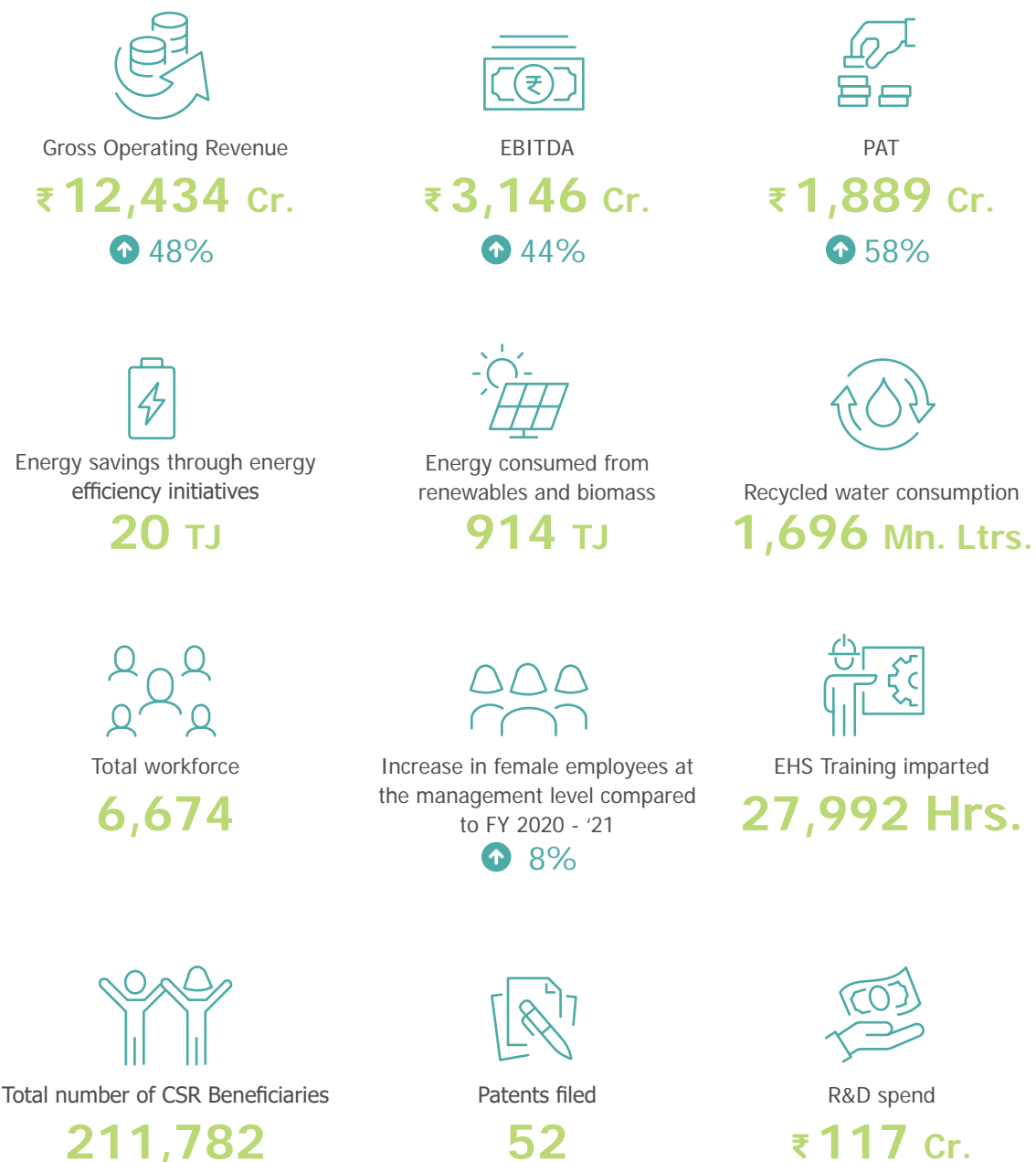
Technical Textiles Business

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

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

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

Key ESG Performance Highlights



Governance

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



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

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

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

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

Committees Driving Performance Excellence

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

Nomination and Remuneration Committee

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

CSR Committee

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

Audit Committee

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

Stakeholders Relationship Committee

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

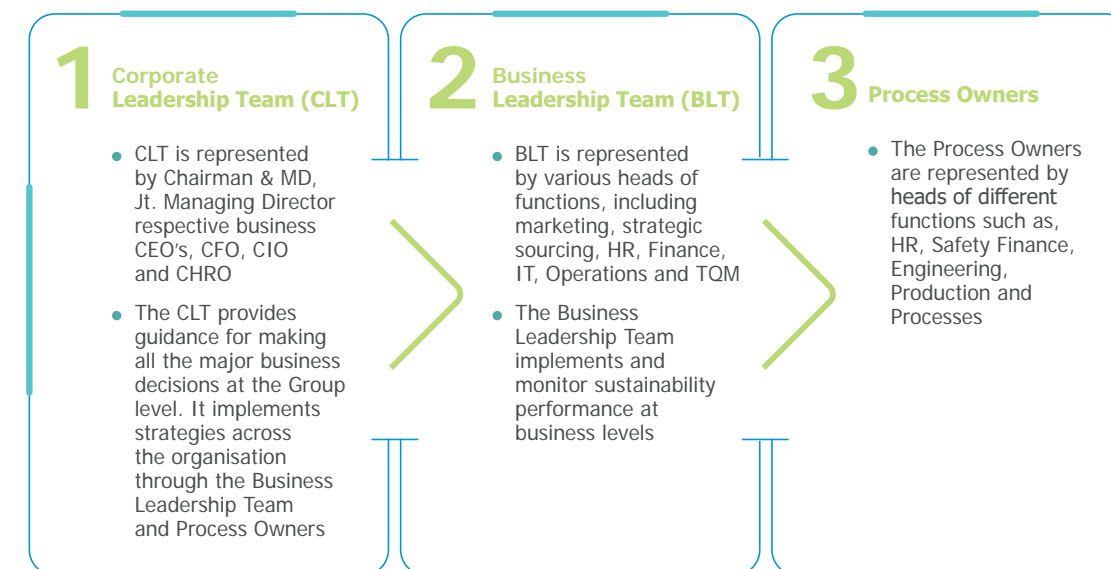
Risk Management Committee

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

Committee of Directors Financial Resources

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

Sustainability is at the Heart of our Governance Framework



Codes and Policies for Best-in-Class Governance

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

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

Codes & Policies

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

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

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



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

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

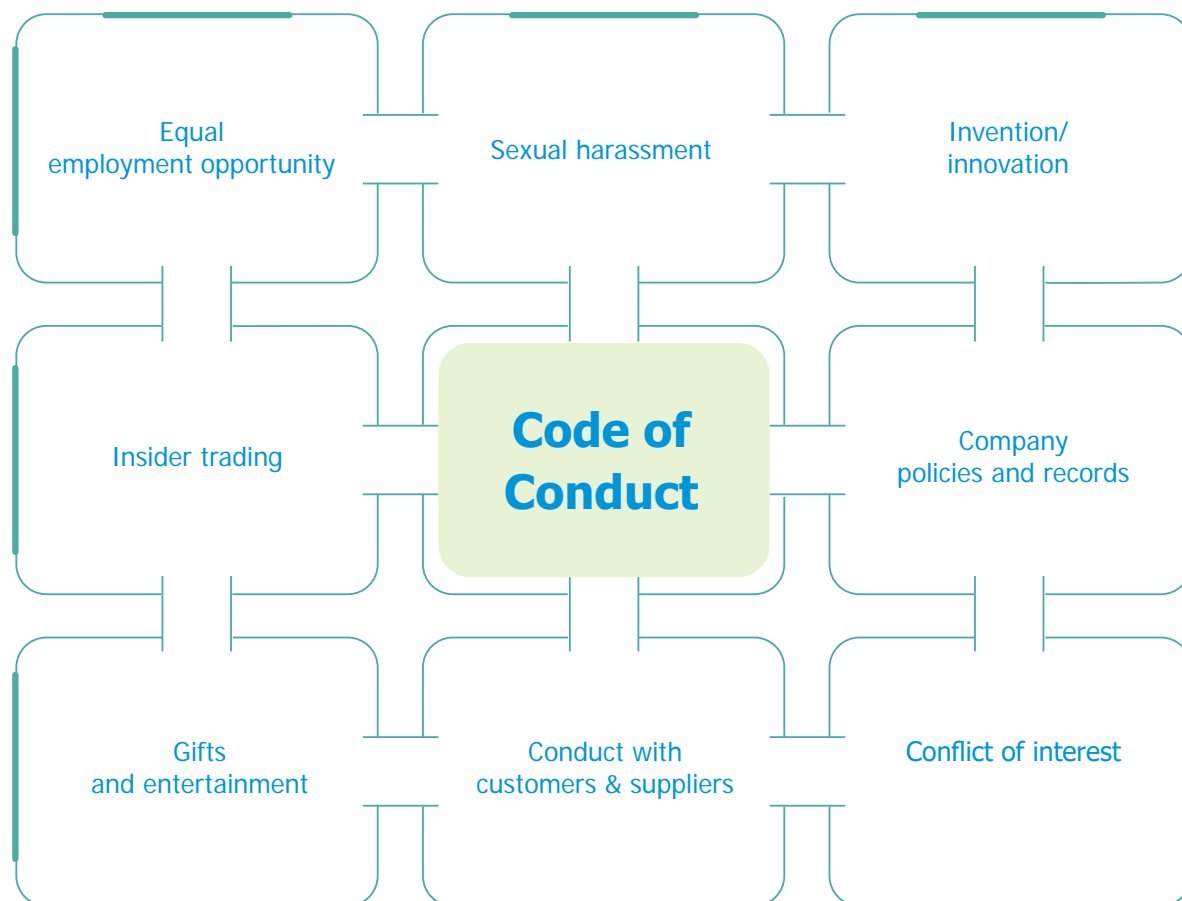
In the current reporting period, there were no cases of conflict of interest and no disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption on Directors / KMPs / employees / workers.



For details: [SRF-Whistleblower-Policy.pdf](#)
[Code-of-Conduct-for-Directors-and-Senior-Management-Personnel.pdf \(srf.com\)](#)

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

(Business Responsibility Report Principle 1)



Regulatory Compliance - Our Pride

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

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

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

(Business Responsibility Report Principle 1 & 9)

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

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

Reach of Association: State ■ National ■

(Business Responsibility Report Principle 7)



Creating Shared Value Through Extensive Stakeholder Engagement

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

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

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

(Business Responsibility Report Principle 4)



Inclusive Stakeholder Engagement Process

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



Monitor and Report

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



Identify

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

Stakeholder Engagement Process



Engage & Consult




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






Plan

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

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

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

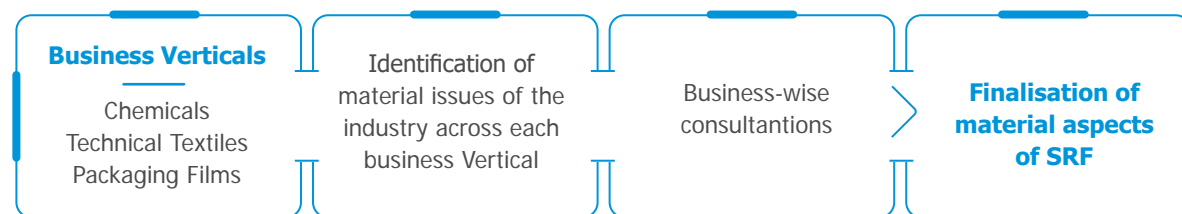
Stakeholder group	Key expectations	Modes of communication	Key Topics discussed	Key responsible groups
 Customers	<ul style="list-style-type: none"> Reputed brand, high quality and reliable products Product innovation and environmentally sustainable products Timely market / product updates Honour contractual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

Materiality Assessment Driving Long-Term Value Creation

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

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

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



Below highlights the key material aspects of SRF:



Managing Risks Strategically for a Sustainable Tomorrow

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

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

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

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

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



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



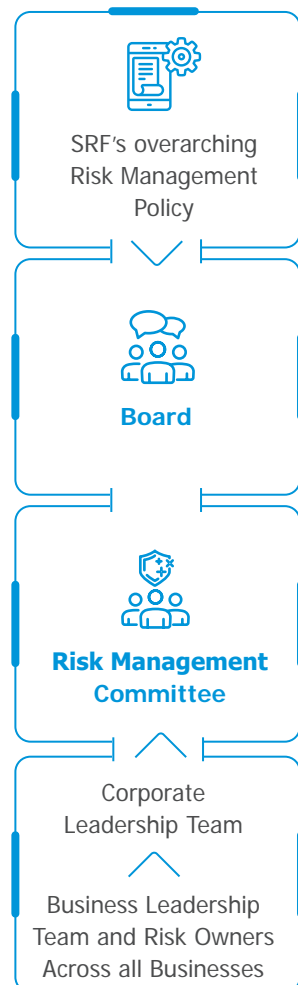
The Committee also aids the Audit Committee in analysing the efficacy of the Risk Management System and assists the Board in framing, implementing, monitoring, and revising the Risk Management Policy. The Committee is competent to identify, assess and manage both traditional and emerging business risks.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

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






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

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

Enterprise-Level Risk Management Framework



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

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

Strategy

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

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

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

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



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

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

Operational excellence

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

Professional reputation and value system

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

Customer advocacy

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











Innovation and Technology Leadership

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

Environment & Social Responsibility

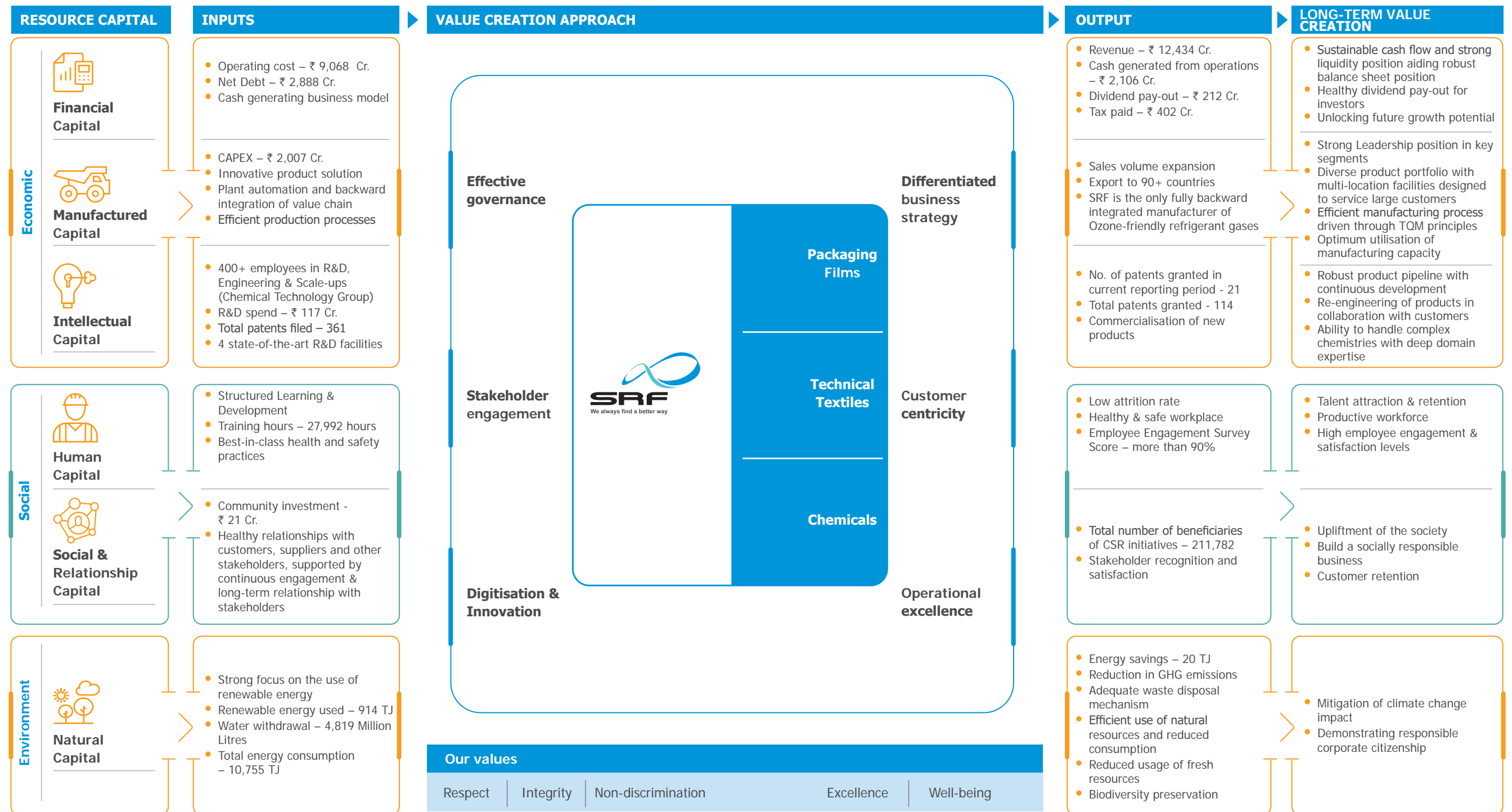
Our Environment and Social Responsibility will focus on four main aspects: We will benefit the communities where we work. We will embrace diversity, equality and inclusion in our workforce. We will enhance our focus on the 3R’s - Recycle, Reuse and Reduce. We will transition from traditional energy to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

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

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

Value Creation Model

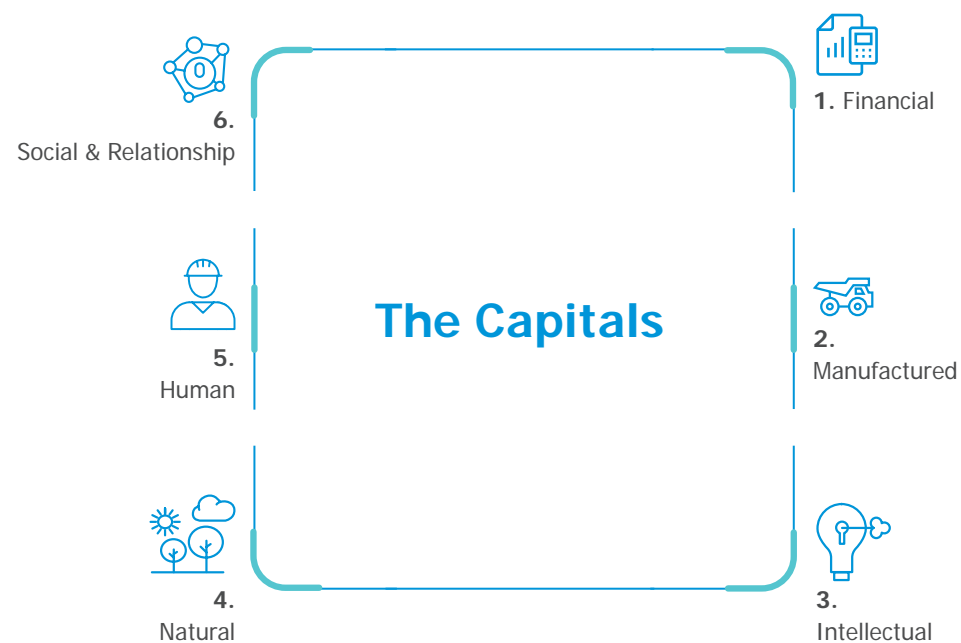
DRIVING BUSINESS WITH VALUES



The Six Capitals

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

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



1. Financial Capital

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

2. Manufactured Capital

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

3. Intellectual Capital

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

4. Natural Capital

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

5. Human Capital

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

6. Social & Relationship Capital

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



FINANCIAL CAPITAL



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

Material Issues Impacted



Economic Performance

Inputs

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

Outputs

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

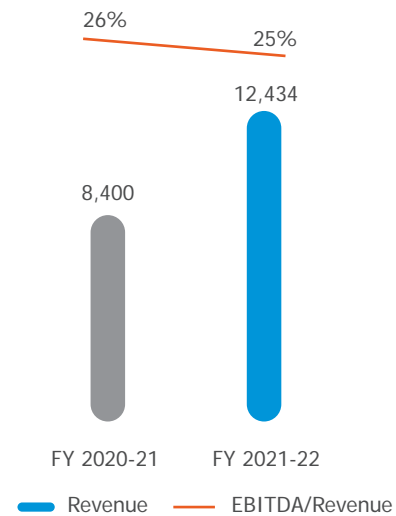
At SRF, we firmly believe that combining operational excellence with prudent financial resource allocation is critical to long-term value creation. We channelise our efforts towards maximising value for all stakeholders by implementing differentiated sustainable business practices, optimal utilisation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

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

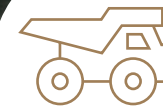
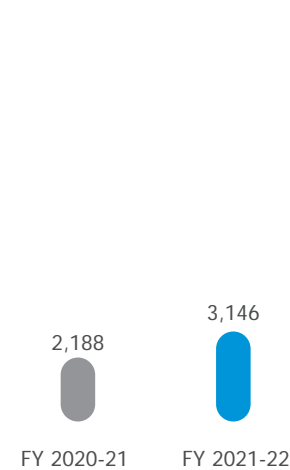
The Company's focus areas are resource allocation and utilisation. Internal policies of SRF, such as those for CAPEX proposals and investment rules, establish the concepts and promote sensible capital allocation. The Company continues to assess and implement various capital structure options, maintaining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

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

Revenue & EBITDA/Revenue (₹ Cr.)



EBITDA (₹ Cr.)



MANUFACTURED CAPITAL



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

Material Issues Impacted



Total Quality Management



Waste Management



Economic Performance



Material

Inputs

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

Outputs

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

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

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

Our Manufacturing Process

Technical Textiles Business (Four manufacturing sites in India)

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

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

Packaging Films Business (Three manufacturing sites in India)

Chemicals Business (Two manufacturing sites in India)

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

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

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

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

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

Key Initiatives to Advance Towards Green Chemistry



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

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

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

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

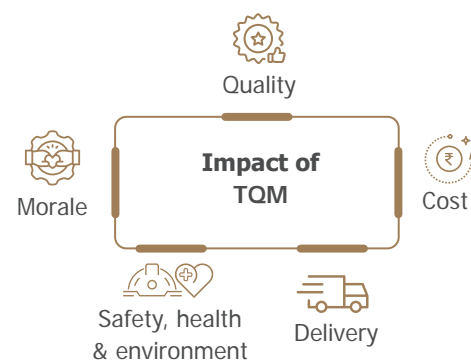
Hazardous reagents and solvents replaced with non-hazardous chemicals

Total Quality Management (TQM)

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

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

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



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

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

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

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

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

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

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

Raw Materials

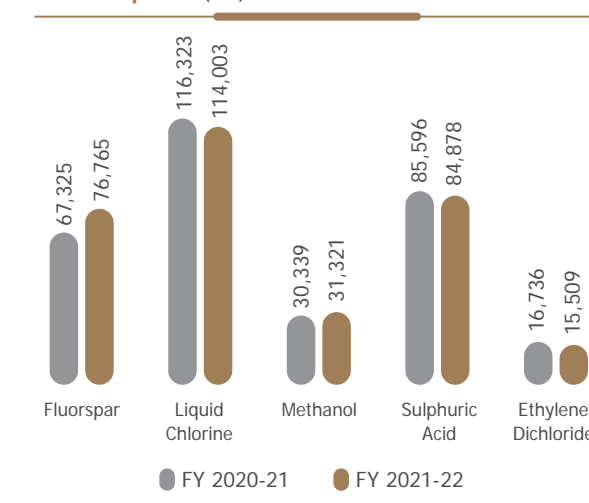
Our primary manufacturing processes use large quantity of key raw materials and various incidental materials; therefore we strive for sustainable sourcing of materials focusing on minimum use of fresh raw materials by recycling and reusing materials to the highest extent possible.

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

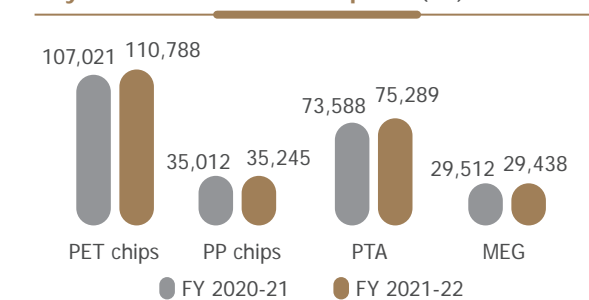
(Business Responsibility Report: Principle 2)

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

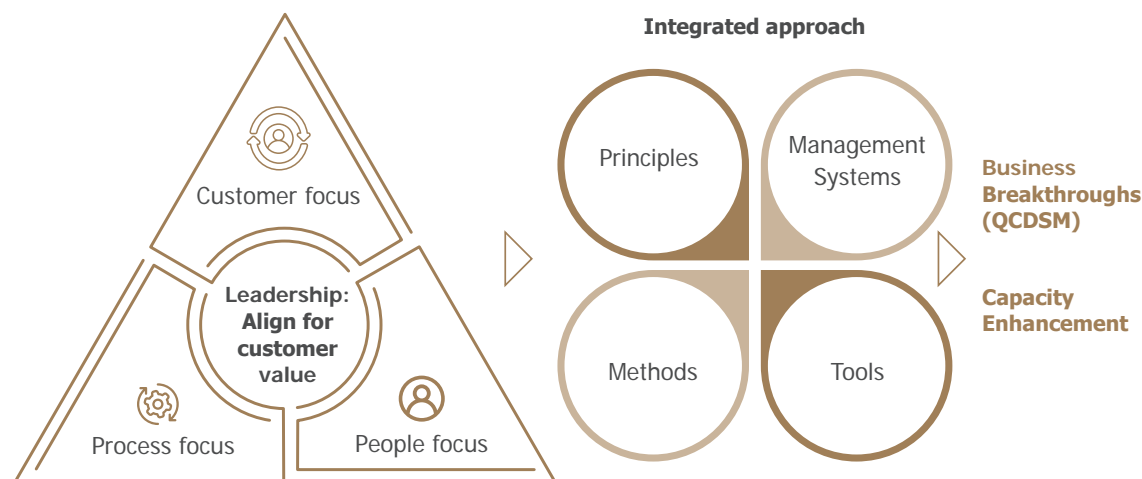
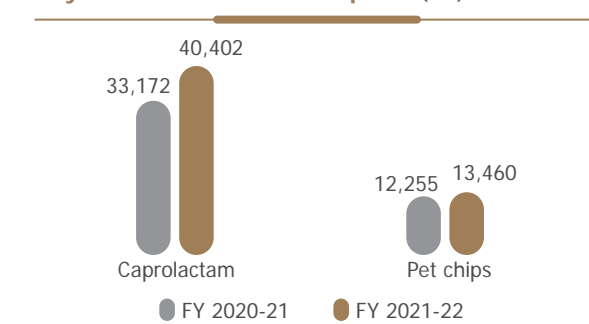
Chemicals Business: Key Raw Material Consumption (MT)



Packaging Films Business: Key Raw Material Consumption (MT)



Technical Textiles Business: Key Raw Material Consumption (MT)



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

Our Certifications and Accreditations

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

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



INTELLECTUAL CAPITAL



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

Material Issues Impacted



Employment

Inputs

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

Outputs

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

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

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

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

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

Chemicals Business

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

Packaging Films Business

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

Technical Textiles Business

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

Accelerating Digital Transformation

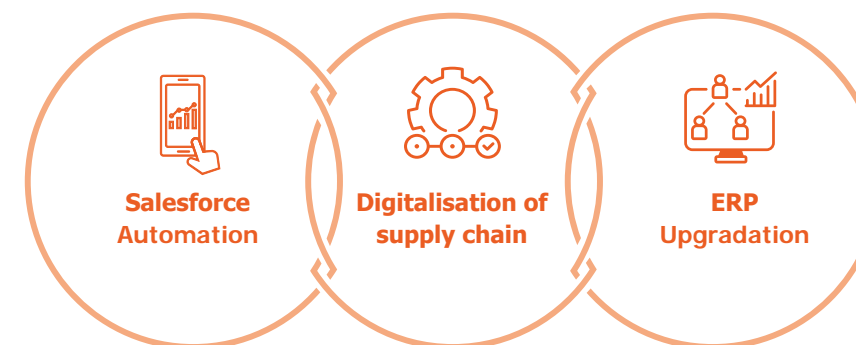
SRF has worked diligently to achieve operational excellence by focusing on resource optimisation and producing high-quality, long-lasting products through the incorporation of digitisation into its core business strategy and across its value chain.

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

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

Key Focus Areas

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



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

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

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



NATURAL CAPITAL



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

Material Issues Impacted



Energy Management



GHG & Air Emissions



Water & Effluents



Waste Management

Inputs

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

Outputs

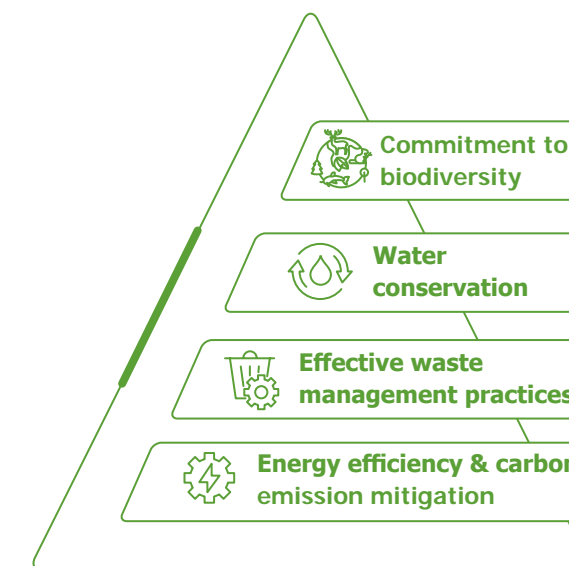
- Energy savings – 20 TJ
- Reduction in GHG emissions
- Adequate waste disposal mechanism
- Efficient use of natural resources and reduced consumption
- Reduced usage of fresh resources
- Biodiversity preservation

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

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

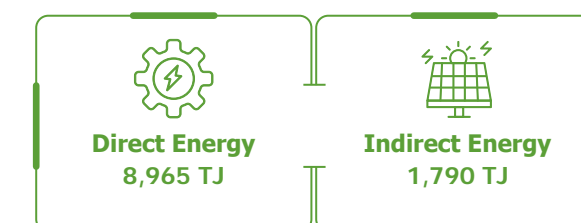


Key strategic focus areas for climate change mitigation and environment protection



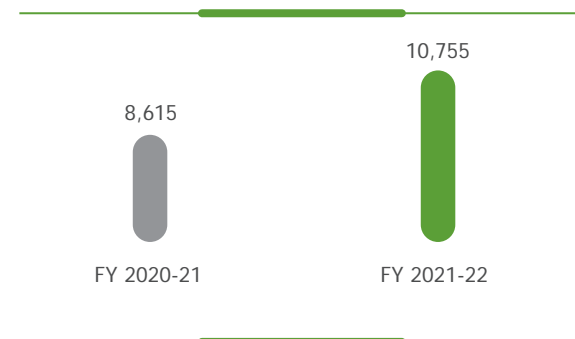
Energy Management

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

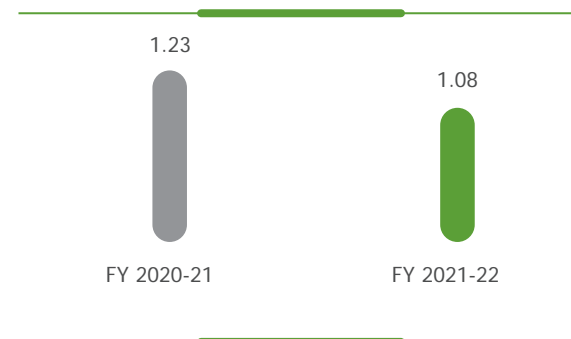


We have a total of 18.95 MW installed capacity of renewable energy, which includes an onsite 5 MW solar power plant and an offsite 13.95 MW wind power plant. In FY 2021 - '22, our energy consumption from renewable sources stood at 914 TJ (including biomass consumption). Going forward, we are driving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

Total Energy consumption (TJ)



Energy Intensity (TJ/Crore ₹)



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

Energy savings initiatives

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

(Business Responsibility Report: Principle 6)

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

(Business Responsibility Report: Principle 6)

Air Emissions

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

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

(Business Responsibility Report: Principle 6)

Water Management

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

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

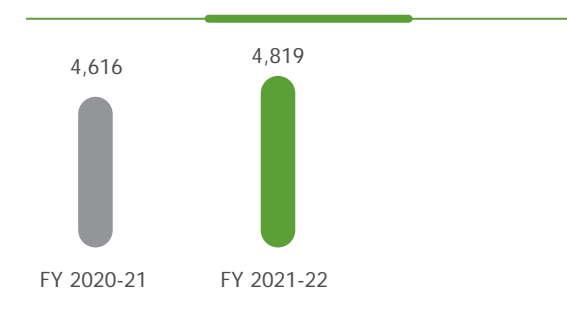
treated wastewater monitoring through third-party agencies to monitor wastewater quality characteristics before discharging the treated wastewater into garden areas.

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

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

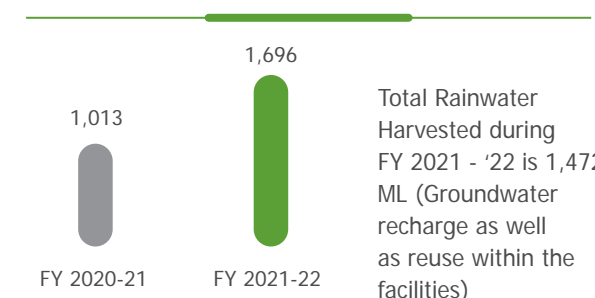


Water Withdrawal (Million Litres)



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

Water Recycled (Million Litres)



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

Waste Management

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

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

(Business Responsibility Report: Principle 2 & 6)

Biodiversity Management

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



Human Resource Management: Focus Areas

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

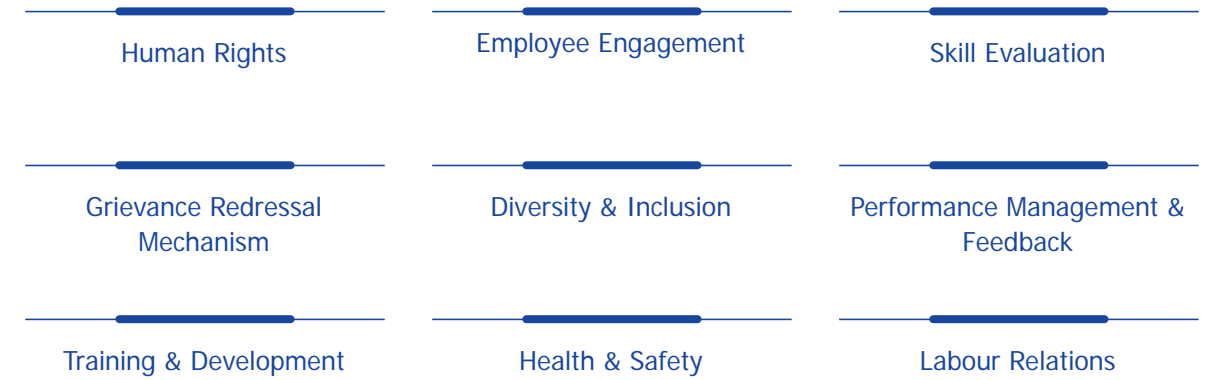
SRF is committed to creating a safe and healthy work environment that helps increase productivity and enhance employee happiness. Our people centric policy, established by the human resource team, helps us ensure an engaging and participatory workplace.



HUMAN CAPITAL



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



Material Issues Impacted

Health and safety

Employee training and development

Gender equity

Labour issues

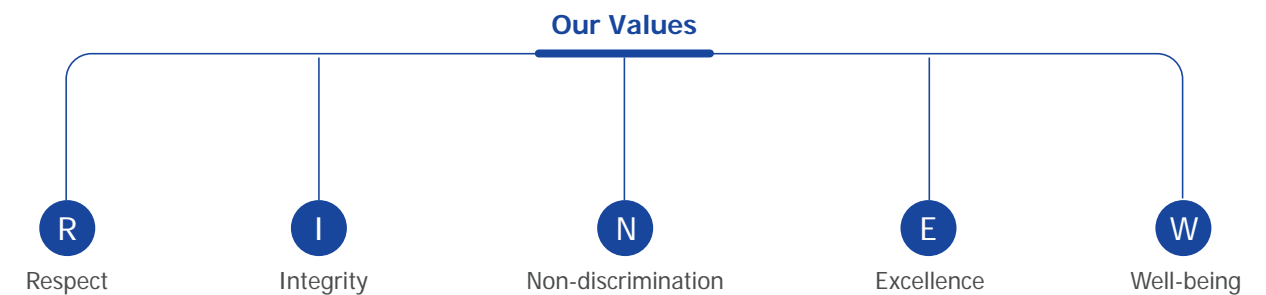
Inputs

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

Outputs

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

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



Diversity and Inclusion

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

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

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

(Business Responsibility Report Principle 3)

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

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

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

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

(Business Responsibility Report Principle 3)

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

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



Training and Development

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

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

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

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

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

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

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

(Business Responsibility Report Principle 3)

Skill Evaluation System

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

Job-specific competencies

Skill-specific competencies

Soft skill competencies

Environment, health and safety

Emergency response plan

(Business Responsibility Report Principle 3)



Human Rights

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

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

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

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

- Well-being of employees
- Reporting human rights violations

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

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

(Business Responsibility Report: Principle 3 & 5)

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

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

98%

permanent employees returned to work

100%

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

Performance Management and Feedback

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

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

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

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

Rewards and Recognition

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

- Special Achievement Awards
- Significant Contribution Award
- Protsahan Awards

- Significant Contribution Award
- Long Service Award
- Spot Awards

Formal Award

Monetary Award

Informal/ Day to Day Award

Semi formal & Non-monetary

- Verbal and Written appreciation
- Team appreciation

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

Online Rewards and Recognition

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

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

Development of Rewards and Recognition Online Portal

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

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

Employee Engagement

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

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

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

eNPS

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

Gallup Survey

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

Grievance Redressal Mechanisms

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

Labour Relations

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

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

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

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

(Business Responsibility Report: Principle 3)

100%

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



Occupational Health and Safety

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

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

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

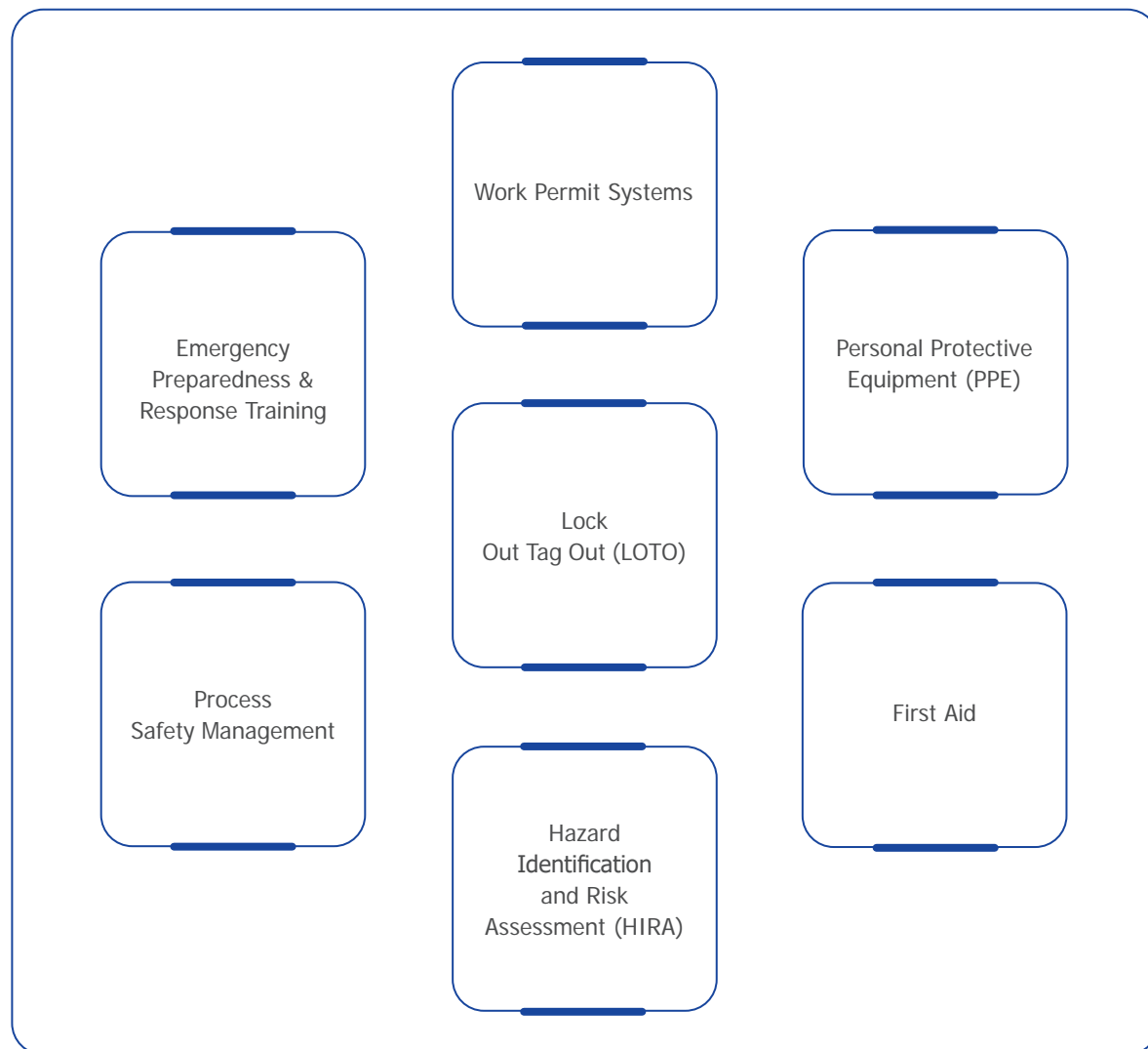
and distributes its products in an environment conscious manner.







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

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

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

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



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

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

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



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

Creating a safe workplace amidst the rising COVID-19 pandemic

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

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



SOCIAL & RELATIONSHIP CAPITAL

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

Material Issues Impacted

Employment

Occupational Health & Safety

Local Communities

Inputs

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

Outputs

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

(Business Responsibility Report: Principle 8)

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

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

Transforming Lives in Local Communities

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

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

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

(Business Responsibility Report: Principle 8)

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

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

(Business Responsibility Report: Principle 8)

Water Treatment Plant at Delhi Golf Club

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

The salient advantages of this technology are as follows:

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

Wow on Wheels (WoW)

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



Rural Education Program

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

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



Flood Relief – Bhind, Madhya Pradesh

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

Flood Relief – Gummidipoondi, Tamil Nadu

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

Flood Relief – Manali, Tamil Nadu

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

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

101,038

Sponsored essential provisional items

COVID-19 Response

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



15,000 people

Benefited through vaccination drive

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



Vocational Skills

Basic Electrician Training Program

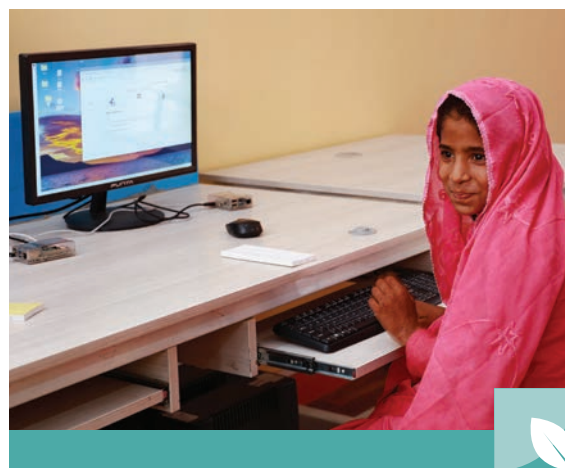
SRF Foundation offers skill training in basic electrician trade through 13 centres across country. The trainees are from the poorer parts of rural society. A total of 401 people were trained in basic electrician training programme in 2021-22, with more than 60% of them being placed.

Spoken English Training Program

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

Basic Computer Literacy Program

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



401 people

were trained in basic electrician training programme in 2021-22

Partnering with Customers in their Growth Journey

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

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

(Business Responsibility Report: Principle 9)

Product Labelling

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

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

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

(Business Responsibility Report: Principle 9)



Sustainable Product Offerings

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

Some of the key products are highlighted below:

R125 refrigerant gas is ozone-safe and has zero Ozone-depleting substances (ODS)

Low-micron Packaging Films offer low carbon footprint with sustained Quality parameters

Socially and environmentally responsible product offerings by SRF

R422B is a non-toxic/ nonflammable refrigeration gas, that contains zero ODS and has a very low global warming potential (GWP)

Thermal-resistant BOPP offers ease of recyclability

(Business Responsibility Report: Principle 2)

Sustainable Supply Chain

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

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

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

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

(Business Responsibility Report: Principle 2)

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



Business Responsibility Report



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

About SRF

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

About this report

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

Section A: General Information about the Company

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

Technical Textiles include Tyre Cord Fabrics, Belting Fabrics and Industrial Yarn. Chemicals include Fluorochemicals and Specialty Chemicals. Packaging Films include Polyester Films viz. BOPET (Biaxially-oriented polyethylene terephthalate) and BOPP (Biaxially oriented polypropylene film)
9. **Total number of locations where business activity is undertaken by the Company**
 - i) **Number of International Locations (Provide details of major 5)**
Details of SRF's international businesses, through its overseas subsidiaries, are given below:

Sl. No.	Name of Subsidiary and Country	Major products/categories
1.	SRF Industries (Thailand) Ltd., Thailand	Packaging Films
2.	SRF Flexipak (South Africa)(Pty) Ltd.	Packaging Films
3.	SRF Industex Belting (Pty) Ltd.	Chemicals Business and Packaging Films (Trading)
4.	SRF Europe KFT	Packaging Films Business
 - ii) **Number of National Locations**
SRF has manufacturing plants in 10 locations across the country.

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

SRF's regional offices are situated at Delhi, Mumbai, Chennai and Kolkata.
10. **Markets served by the Company – Local/State/National/International**
SRF serves both national and international markets spread across Asia, Africa, Europe, North America and South America.

Section B : Financial Details of the Company

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

Section C : Other Details

1. **Does the Company have any Subsidiary Company/Companies ?**
Following are the wholly-owned subsidiary companies:-
 - SRF Global BV, The Netherlands (Foreign wholly-owned Subsidiary)
 - SRF Industries (Thailand) Ltd., Thailand (Foreign wholly-owned Subsidiary)
 - SRF Flexipak (South Africa) (Pty) Ltd., South Africa (Foreign wholly-owned Subsidiary)
 - SRF Industex Belting (Pty) Ltd., South Africa (Foreign wholly-owned Subsidiary)
 - SRF Europe Kft, Hungary (Foreign wholly-owned Subsidiary)
 - SRF Holiday Home Ltd. (Domestic wholly-owned Subsidiary)
 - SRF Altech Limited (Domestic wholly-owned Subsidiary)
2. **Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company ? If yes, then indicate the number of such subsidiary Company(s)**
The subsidiary companies operate in different jurisdictions/geographies and are engaged in their own BR initiatives as applicable to them.
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company ? If yes, then indicate the percentage of such entity/entities ? [Less than 30%, 30-60%, More than 60%]**
No

Section D : BR Information

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, Joint Managing Director (DIN: 00008557)

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

Sl. No.	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.	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No
2.	Yes	NA	Yes	No	Yes	Yes	NA	Yes	NA
3.	NA	NA	Yes	No	NA	Yes	NA	No	NA
	Does the policy conform to any national / international standards? If yes, specify.		OHSAS 18001:2007 SA 8000 (Social Accountability)			ISO 14001 (Environment Management System) ISO 50001 (Energy Management System) The policies are in line with the best practices followed in the industry			
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director	NA	Yes, Board of Directors CEO, President - HR - 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?	NA	Yes	Yes	Yes	Yes	NA	Yes	NA

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

CSR Policy : <https://www.srf.com/wp-content/uploads/2021/04/25032021-Final-SRF-Corporate-Social-Responsibility-policy.pdf>

Dividend Distribution Policy : <https://www.srf.com/wp-content/uploads/2020/11/Dividend-Distribution-Policy.pdf>

Code of Conduct for Directors & Sr. Management : <https://www.srf.com/wp-content/uploads/2020/11/Code-of-Conduct-for-Directors-and-Senior-Management-Personnel.pdf>

Code of Conduct for Prevention of Insider Trading : <https://www.srf.com/wp-content/uploads/2021/09/2021-05-05-Code-of-Conduct-to-Reg-Monitor-n-Report-Trading-V5SRF.pdf>

Whistle blower policy : <https://www.srf.com/wp-content/uploads/2022/02/SRF-Whistleblower-Policy.pdf>

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

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

3. Governance related to BR

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

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

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

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

Section E : Principle-wise performance

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

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

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

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

SRF Limited

(CIN: L18101DL1970PLC005197)

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

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

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

Notice

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

Ordinary Business

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

Special Business

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Name of Cost Auditor	Business	Remuneration payable
H Tara & Co. (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 and reimbursement of actual out of pocket expenses

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

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

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

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

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

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

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

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

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

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

By Order of the Board of Directors

Rajat Lakhanpal

VP (Corporate Compliance) &

Company Secretary

Date : May 30, 2022

Place : Gurugram

Membership No. ACS 12725

SRF Limited

(CIN: L18101DL1970PLC005197)

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

NOTES

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

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

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

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

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

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

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

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

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

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

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

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

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

Voting through electronic means

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

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

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

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

Step 1 : Access to NSDL e-Voting system

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

Details on Step 1 is mentioned below:

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

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>A. NSDL IDeAS facility</p> <p>If you are already registered for NSDL IDeAS facility</p> <ol style="list-style-type: none"> 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. <p>If the user is not registered for IDeAS e-Services,</p> <ol style="list-style-type: none"> 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. <p>B. e-Voting website of NSDL</p> <ol style="list-style-type: none"> 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. 5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



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

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

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

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

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

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

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

- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
--	------------------

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

- Password details for shareholders other than Individual shareholders are given below:

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

c) How to retrieve your 'initial password'?

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

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

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

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

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

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

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

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

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

have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

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

General Guidelines for shareholders

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

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

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

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

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@srf.com from July 15, 2022 (9:00 am IST) to July 18, 2022 (5:00 pm IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

6. The Members can join the AGM through VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation in the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

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

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

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

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

Item Nos. 2 & 3

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

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

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

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

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

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

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

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

Item No 4

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

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

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

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

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

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

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

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

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

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

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

Item No. 5

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

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

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

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

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

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

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

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

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

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

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

Item No. 6

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

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

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

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

Item No. 7

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Item No. 8

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

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

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

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

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

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

By Order of the Board of Directors

Rajat Lakhanpal

VP (Corporate Compliance) &
Company Secretary
Membership No. ACS 12725

Date : May 30, 2022
Place : Gurugram

SRF Limited

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



Board's Report

Dear Members,

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

Financial Results

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

Appropriation

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

Operations Review

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

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

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

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

Transfer to Reserves

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

Share Capital

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

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

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

Equity Dividend

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

Management Discussion and Analysis

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

ESG Report

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

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

Subsidiaries, Joint Ventures and Associate companies

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

These subsidiaries are:-

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

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

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

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

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

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

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

Directors & Key Managerial Personnel

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Directors' Responsibility Statement

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

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

Contracts and Arrangements with Related Parties

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

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

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

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

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

Corporate Social Responsibility (CSR)

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

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

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

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

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

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

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

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

Risk Management

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

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

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

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

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

Internal Financial Controls

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

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

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

Significant features of these control systems include:

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

strategies and action plans for achieving these goals.

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

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

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

Listing of Equity Shares

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

SRF Limited Long term Share based Incentives Plan, 2018

During the year, 195,000 equity shares were allotted under Part B- SRF ESPS, 2018 of the SRF Long Term Share Incentive Plan, 2018 to eligible employees. There has been no change in the said Plan which was approved by the shareholders through postal ballot on February 26, 2018. The said Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2011. The disclosures prescribed under the said Regulations are given below:

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

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

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

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

Dividend Distribution Policy

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

Corporate Governance

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

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

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

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

Consolidated Financial Statement

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

Audit Committee

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

Accounts and Audit

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

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

Vigil Mechanism

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

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

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

Cost Audit

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

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

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

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

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

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

Secretarial Auditor

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

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

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

Reporting of Fraud

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

Personnel

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

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

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

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

Annual Return

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

Industrial Relations

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

Secretarial Standards

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

General

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

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

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

Acknowledgements

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

For and on Behalf of the Board

Ashish Bharat Ram

Date: May 30, 2022

Chairman & Managing Director

Place: New Delhi

(DIN – 00671567)

Annexure - I to Board's Report

Nomination, Appointment and Remuneration Policy

A. Introduction

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

B. Definitions

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

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

C. Terms of Reference

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

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

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

D. Criteria for recommending a person to become Director

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

1. Qualification & Experience

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

2. Attributes/Qualities

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

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

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.

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

F. Evaluation

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

- 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 & III). The outcome of the evaluation shall be shared by the Chairman of NRC with the Board.

E. Directors' Remuneration

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

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

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

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

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

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

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

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

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

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

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

G. Board Diversity

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

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

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

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

Remuneration Structure

- i) Key Managerial Personnel and Senior Management Personnel,**

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

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

- ii) Other Employees**

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

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

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

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

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

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

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

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

Annexure - I

Performance Evaluation of Executive Directors

Name of Director :

Type of Directorship : Executive Director

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

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

Name of Director :

Signature :

Date & Place :

Annexure - II

Performance Evaluation of Independent Directors

Name of Director :

Type of Directorship : Independent Director

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

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

Name of Director :

Signature :

Date & Place :

Annexure - III

Performance Evaluation of Non-executive & Non-Independent Directors

Name of Director :

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

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

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

Name of Director :

Signature :

Date & Place :

Annexure - IV

Performance Evaluation of The Board

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

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

Name of Director :

Signature :

Date & Place :

Annexure - V

Performance Evaluation of The Committees

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

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

Name of Director :

Signature :

Date & Place :

Annexure - VI

PERFORMANCE EVALUATION OF CHAIRMAN

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

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

Name of Director :

Signature :

Date & Place :

For and on Behalf of the Board

Ashish Bharat Ram

Chairman & Managing Director
(DIN – 00671567)

Date: May 30, 2022

Place: New Delhi

Annexure - II to the Board's Report

Annual Report on CSR Projects as on March 31, 2022

1. Brief outline on CSR Policy of the Company

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

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

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Meenakshi Gopinath*	Chairperson*	Nil	Nil
2.	Mr. Arun Bharat Ram	Member	Nil	Nil
3.	Mr. Kartik Bharat Ram*	Chairman	Nil	Nil
4.	Mr. L. Lakshman	Member	Nil	Nil
5.	Mr. Yash Gupta*	Member	Nil	Nil

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

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

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

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

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

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

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

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

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

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

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

₹ 930.31 Crores

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

₹ 18.61 Crores

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

Nil

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

Nil

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

₹ 18.61 Crores

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

Total Amount spent for the Financial Year. (₹ in Crores)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
18.68	-	-	-	-	-

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

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

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

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

(d) Amount spent in Administrative Overheads: Nil

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

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

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

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

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

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

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

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

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

There was no unspent amount.

Date: May 09, 2022
Place: Gurugram

Sd/-
Ashish Bharat Ram
Chairman & Managing Director

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

Annexure - III to the Board's Report

ESPS Disclosures

Details related to ESPS

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

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

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

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

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

Details related to Trust

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

(i) General information on all schemes:

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

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

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

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

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

For and on Behalf of the Board

Ashish Bharat Ram

Chairman & Managing Director
(DIN – 00671567)

Date: 30th May 2022
Place: New Delhi

Annexure - IV to the Board's Report

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

TO
THE MEMBERS OF SRF LIMITED

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

Management's Responsibility

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

Auditors' Responsibility

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

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

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

Chartered Accountants

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

Kaushal Kishore

Partner

Membership Number: 090075

UDIN: 22090075AJTKND7904

Place: Delhi

Date: 27 May 2022

Annexure - V to the Board's Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

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

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

We report that

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit and we adhered to best professional standards and practices as could be possible while carrying out audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of the financial statements of the Company.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

- The Companies Act, 2013 ("the Act") and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
- The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 {Not applicable during the audit period};
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 {Not applicable to the Company during the audit period};
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 {Not applicable to the Company during the audit period}; and
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

- The Company is engaged in manufacturing of **Chemicals & Other Businesses** plants located at Alwar, Rajasthan; Bharuch, Gujarat, Udham Singh Nagar, Uttarakhand and Thiruvallur, Tamil Nadu; **Technical Textiles** plants at Manali, Tamil Nadu; Bhind, Madhya Pradesh; Thiruvallur, Tamil Nadu and Pudukottai, Tamil Nadu; and **Packaging Films** plants at Udham Singh Nagar, Uttarakhand and Indore and Dist. Dhar, Madhya Pradesh. As informed by the management, following are some of the laws specifically applicable to the Company: -
 - Narcotics Drugs and Psychotropic substance Act, 1985;
 - Legal Metrology Act, 2009;
 - SEZ Act, 2005 and SEZ Rules, 2006;
 - The chemical weapons convention Act, 2000;

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

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

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

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

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

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

We further report that during the audit period

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

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

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

Devesh Kumar Vasisht
Partner
CP No.: 13700

Date: May 30, 2022
Place: New Delhi

Mem. No. F8488
UDIN: F008488D000427929

Annexure - VI to the Board 's Report

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

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

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

- (ii) The median remuneration of employees of the Company as on March 31, 2022 was ₹ 0.050 Crores as compared to ₹ 0.047 Crores as on March 31, 2021. The increase in median remuneration was 6.59% as compared to 2020-21.
- (iii) There were 6674 permanent employees on the rolls of the Company as on March 31, 2022.
- (iv) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Category	Average Increase
Employees' remuneration (other than Directors)	10.02%
Managerial remuneration (Directors)	41.41%

The increase in managerial remuneration and remuneration of other employees is a function of many factors such as company performance, compensation philosophy, market competitiveness, local agreements with unions and the total number of employees. Percentage increase in employees remuneration (other than Directors) includes increase on account of shares issued under ESPS during the year.

- v) It is hereby affirmed that the remuneration paid is as per the Nomination, Appointment and Remuneration Policy of the Company.

Notes:

¹ Designations as on March 31, 2022. After the resignation of Mr. Arun Bharat Ram, Executive Chairman, and re-designation of Mr. Ashish Bharat Ram and Mr. Kartik Bharat Ram, the designations have been changed w.e.f. 1st April 2022 as below

- Chairman to **Chairman Emeritus**
- Managing Director to **Chairman and Managing Director**
- Deputy Managing Director to **Joint Managing Director**

² Remuneration of outgoing employees includes, Leave encashment and other Retirals. Date(s) of resignation and retirement are as below:

- Mr. Arun Bharat Ram - March 31, 2022 (resignation)
- Mr. Sanjay Chatrath – October 31, 2021 (retirement)

³ Retired on August 31, 2021.

⁴ Remuneration excludes perquisite value of ESPS and tax paid thereon by the Company. Remuneration including these are given below:-

Name	Designation	Remuneration including Perquisite value of ESPS and Tax (in ₹ Crores)	% Increase in Remuneration in the Financial Year 2021-22
Prashant Mehra	President & CEO (Packaging Films Business, CF & LF)	22.29	393.23%
Prashant Yadav	President & CEO (Fluorochemicals Business and Technical Textile Business)	22.28	406.27%
Anurag Jain	President & CEO (Speciality Chemicals Business and CTG)	22.23	399.45%
Rahul Jain	President & CFO	6.57	273.40%

For and on Behalf of the Board

Ashish Bharat Ram

Chairman & Managing Director
(DIN – 00671567)

Date: May 30, 2022

Place: New Delhi

Annexure - VII to the Board's Report

Conservation of Energy – Measures taken:

1. Laminated Fabrics Business, Kashipur

- Saved 424582 Kwh / annum by Banbury A, Banbury B and Mixing mill A automation on calender line
- Saved 89.6 MT of furnace oil / annum by integrating hot oil circulating systems of PFB & LFB
- Saved 27588 Kwh / annum by efficient operation of compressed air systems

2. Coated Fabrics Business, Gummidipoondi

- Savings of 340 MT Husk in solid fired thermic fluid heater by efficient operation and maintenance of system and production planning

3. Packaging Film Business, Indore (SEZ)

- Saved 3,43,314 KWH by installation of close loop cooling tower and reducing cooling load from utility chillers for Line I Chill Roll, Machine Direction Oriented (MDO), Take up and Transfer (TUT) and Air Handling Units (AHUs)
- Saved 2,04,820 KWH by upgradation of Line I and Line II air washers, line II & metallizer AHUs (Air Handling Unit) and exhaust blower fan with new energy efficient (EC-5) plug fans - Amount spent – 59.80 lacs
- Saved 1,18,000 KWH by optimization of chilled water pump for head, flow, and energy efficient motors - Amount spent (34.86 lacs)

4. Packaging Films Business, Indore DTA

- Saved 1,31,500 KWH from installation of drive in hot oil system of BOPP line to optimize oil flow without compromising the process and quality
- Saved 235 MT of pet coke by commissioning ash recirculation system in pet coke heater
- Saved 20 KL water by using cooling tower water in place of chilled water from Tetra Ethylene Glycol (TEG) cooling system

5. Packaging Films Business, Kashipur

- Saving of 50,000 KWH by replacing one more piston type vacuum pump by installation of energy efficient vacuum pump in metallizer. Amount spent – INR 26.56 lacs
- Saved 30,000 KWH by installation of Solar Geyser in guest house and canteen.

6. FCB Bhiwadi

- Saved 1.8 lac units of electricity, 400 MT of steam and 90 MT of LSHS in AHF plant by implementing the following measures:
 - a. Shifting crude tank from ground floor to first floor to increase the pump suction head
 - b. Changing crude HF Pump from centrifugal to positive displacement pump
 - c. Improving the condensers & reboiler cleaning process using hydro jetting
 - d. Replacing the distillation column with improved internal design

- e. Changing the drift eliminator design from honeycomb type to wooden type
- f. Modifying the cooling water circuit design
- Saved 3.5 lac units of electricity by improving the C1 recycling design in CMS plant
 - Saved 0.12 lac units of electricity by replacing old lighting luminaires with LEDs
 - Saved 0.20 lac units of electricity by installing a variable frequency drive in AHF plant
 - Saved 0.10 lac units of electricity by reducing and optimizing the heat load of rotary UPS panel
- 7. FCB Dahej**
- Saved 235 MT of furnace oil in -134a plant by optimizing the fuel air ratio to ensure complete combustion of fuel
 - Saving of 14 lac units of electricity by improving the heat transfer coefficient of brine chiller
 - Saved 2.9 lac units of electricity by optimizing operations to take advantage of favorable climatic conditions
 - Saved 9.5 lac units of electricity by optimizing and re-routing the air compressor load
 - Saved 0.5 lac units of electricity by installing new energy efficient motors
 - Saved 0.15 lac units of electricity by replacement of CFL to LED fixture
 - Saved 0.15 lac units of electricity by installing light detector Resistor (LDR) and timer
- 8. SCB Bhiwadi**
- Water conservation of 45 KL / day by various water saving & control measures implemented at site
 - Saving of 206 MT steam (₹ 2.8 lacs) by optimizing steam traps & installation of tracer traps
 - Saving of 2.04 lacs units of electricity (₹ 17.15 lacs) by installing variable frequency drives in equipment
 - Saving of 3827 units of electricity (₹ 0.31 lacs) in lighting by replacing conventional lights with LEDs
- 9. SCB Dahej**
- Savings of 532 MWH (₹ 29.26 lacs /annum) by replacing brine with chilled water from process chiller
 - Savings of 50.4 MWH (₹ 2.77 lacs /annum) by exchanger replacement in brine package
 - Savings of 1360 MWH (₹ 74.8 lacs /annum) by power consumption optimization through pumping system
 - Savings of 133 MWH (₹ 7.31 lacs /annum) through heat load optimizations for CT
 - Savings of 776 MWH (₹ 42.68 lacs /annum) by installation of automated systems
 - Saving of 321.4 MWH (₹ 17.67 lacs /annum) by improving power factor
 - Savings of 566.9 MWH (₹ 31.18 lacs / annum) by utilization & removal of VFD / soft starter
 - Other savings of ₹ 9.42 lacs /annum
- 10. Technical Textile Business – Gwalior**
- Annualized saving of 8.30 lacs kwh achieved by replacing conventional air blowers with energy efficient mono block fans in air washers
 - Annualized saving of 0.50 lacs kwh achieved by Installing energy efficient cooling water pump
 - Annualized saving of 0.53 lacs kwh achieved by Installing energy efficient chilled water pump
 - Annualized saving of 0.72 lacs kwh achieved by replacing chilled water coils of quench air washer plant-I
- 11. Technical Textile Business – Manali**
- Annualized saving of 1.95 lacs kwh achieved by installation of new EC fans in Textile AHU 1B & AHU 2
 - Annualized saving of 0.13 lacs kwh achieved by installation of energy efficient motor (IE4 – 90KW) in spinning extruder (1 no's)
 - Annualized saving of 1.12 lacs kwh achieved by air power consumption optimization by ultrasonic study and leakage arresting
- 12. Technical Textile Business – Gummidipoondi**
- Annualized saving of 1.72 lacs kwh achieved in semi variable power by installation of CC2 twisting machines in the same textile shed
 - Annualized saving of 1.40 lacs kwh achieved by optimizing twister traveler weight
 - Annualized saving of 0.65 lacs kwh achieved by 4 zone operation in dipping
 - Annualized saving of 1.26 lacs kwh achieved by compressed air power savings through better SPC & air loss reduction through ultrasonic leak detector
 - Annualized saving of 3.99 lacs kwh achieved by chillers and auxiliary change overs from high capacity to lower capacity w.r.t heat load and better SPC
- 13. Technical Textile Business – Viralmalai**
- Annualized saving of 0.15 lacs kwh achieved by optimization of lighting (replacement mercury / fluoro cent with LED fittings)
 - Annualized saving of 0.18 lacs kwh achieved by replacing TFO- motor from 40 HP to 30 HP and weft motor from 50 HP to 30 HP
 - Annualized saving of 0.08 lacs kwh achieved by replacing Sulzer RUTI loom motor capacity from 10 HP to 5 HP
 - Annualized saving of 0.20 lacs kwh achieved by Installed energy efficient air compressor in Plant 2
- Annualized saving of 0.58 lacs kwh achieved by fan speeds regulations in lean production period, stopping fans in accordance to heat load and ambient condition in Textile AHUs power**
- Annualized saving of 1.66 lacs kwh achieved by PIY take up fan speeds regulations in accordance to heat load and ambient condition**
- Capital Investment on Energy Conservation Equipment:**
- TTBM:**
- Installation of energy efficient motor (IE4 – 90KW) in spinning extruder (1 no's). Total investment - ₹4.5 lacs
 - Installation of new EC fans in Textile AHU 1B & AHU 2. Total investment - ₹ 45 lacs
- TTBV:**
- The energy efficient air compressor for plant 2 is a capex of ₹6.65 lacs
- Packaging Film Business, Indore SEZ**
- Installation reinforced chain flaps in line II HS9 model chain – INR 426 lacs

- Installation of 3-way metal separator system for Line II co-extruders – INR 65.72 lacs
- Installation of lightning protection system (IS/IEC 62305-2 code)- INR 45.12 lacs
- Infrastructure for smooth utilization of de-metallized fluff – INR 40.47 lacs
- Restructuring of Power Control Circuit (PCC) by installation of 2 MVA energy efficient transformers – INR 28.61 lacs
- Installation of New design Heat Exchanger in Line I Air Drying Unit (ADU)- INR 9 lacs

SCB Bhiwadi:

- Conversion of energy monitoring meters: ₹ 25 lacs
- Renewable energy utilization at warehouses: ₹ 15 lacs
- Installation of energy efficient compressors: ₹ 40 lacs
- Cooling tower upgradation of plants: ₹ 45 lacs
- VFD installation of ₹ 15 lacs

SCB Dahej:

- Investment in providing heat exchanger to stop brine chiller: ₹ 6 lacs
- Investment in providing higher capacity evaporator in brine package: ₹ 9 lacs
- Investment in installation of automated systems: ₹ 33 lacs
- Other investments of ₹ 2.4 lacs

SCB: Technology Absorption

Technology plays a pivotal role in development of complex products within shorter timelines for the Specialty Chemicals Business. The technology teams at SRF are actively engaged in development

of new molecules used as intermediates by the Pharmaceutical and Agrochemical customers. The inhouse R&D helps development of novel cost-effective routes for both new and existing products, while multiple teams in the Chemical Technology Group focus on innovation in cost effective processes development and overcoming the technology barriers to scale up the production to meet market demand.

During the year, several molecules were developed for the global innovators, that were challenging in terms of quality and technological parameters. The Business successfully demonstrated its capability to address innovators' demand at different scales ranging from a few grams to few hundred metric tons by producing a number of high-value products from both dedicated and flexible manufacturing assets at its sites at Bhiwadi and Dahej. The focus of the Business is to create value for its customers by addressing complexity across the value chain.

The technological teams in conjunction also worked on improving the technology, lowering the cost of production, and expanding the plants' capacities.

Some of the areas where technology has been absorbed in this period are:

- Building capabilities and exploring novel technologies to develop new age molecules
- Capacity and production yields of several product were significantly enhanced
- Improvement of in-process norms to reduce costs
- Focus on automation to improve process stability and costs
- Strong emphasis on waste generation minimization and ensuring process safety
- Enhanced efforts to create and protect IP

The Business would continue to benefit from technology absorption as it continues to invest in the

technological advancements, people, and processes, to enhance learnings, and overall value proposition for the customers.

TTB:

"The R&D centre of Technical Textiles Business is located at Manali, Chennai. Equipped with state-of-the-art Pilot facilities and sophisticated testing laboratories for evaluating Polymers, Fibers and fabrics, the TTB-R&D centre aims at maximizing competitiveness of Technical Textiles Business through market oriented new product/ technology development. In this regard, the R&D centre has developed many variants of Polyester Industrial Yarns as reinforcements in geotextiles and Aramid based reinforcement fabric for hoses, each tailor-made for the respective application.

Apart from the developments in existing business space, novel products involving Nano-technology are also being developed by this centre in close association with leading Academic and Research Institutes in India and abroad for various research projects. TTB-R&D also works in close collaboration with major

customers for joint developments in the field of Tyre cords, belting fabrics and other Mechanical Rubber Good reinforcements"

C) Foreign exchange earnings and outgo

(₹ in Crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2022
Foreign Exchange Earnings	3325.05	4,614.26
Foreign Exchange outgo	1686.70	3,114.78
Net Foreign Exchange Earnings	1638.35	1,499.48

For and on Behalf of the Board

Ashish Bharat Ram

Date: May 30, 2022 Chairman & Managing Director
Place: New Delhi (DIN: 00671567)

Management Discussion & Analysis



In the following pages, the Management will provide its perspective on the operating and financial performance of the Company during FY 2021 - '22 and an outlook of the business performance in the coming years.

Businesses

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

Technical Textiles Business

FY 2021 - '22 started on a difficult note with lockdown restrictions due to the second wave of COVID-19. However, the Technical Textiles Business (TTB) continued to operate all its manufacturing plants with strict adherence to safety measures resulting in top-notch product quality.

In addition, the Business faced supply chain challenges, but no plants were shut down due to shortage.

Tyre Cord Fabrics (TCF)

Nylon Tyre Cord Fabric (NTCF) segment witnessed strong demand during the first six months of the year due to pent-up demand from replacement and OEM markets. However, in H2, the market witnessed steep decline because of low original equipment (OE) tyre sales and a subdued replacement market. This led to lower capacity utilisation of TCF in H2 FY 2021 - '22.

Belting Fabrics (BF)

Steel, cement, coal, and power generation industries are key end-user industries for the Belting Fabrics segment. Each of these industries experienced high growth in FY 2021 - '22. These market dynamics led to a significant increase in business volume. The belting fabrics segment also commercialised a few key high-end Value-Added Products (VAPs), which contributed to the Business delivering its best results in FY 2021 - '22. Furthermore, the BF segment completed its approved capacity expansion projects in FY 2021 - '22.

Polyester Industrial Yarn (PIY)

The Polyester Industrial Yarn (PIY) segment achieved increased volume in FY 2021 - '22. Despite an unfavourable product mix, the performance of the segment remained stable. PIY segment will further consolidate its position in FY 2022 - '23 and focus on profitable product sales mix.

Outlook

In FY 2022 - '23, all trends point to a positive outlook for the Indian economy, infrastructure development,

and agricultural growth. This is likely to have a positive affect on the performance of the Technical Textiles Business. We expect an improvement in demand & hence enhanced capacity utilisation.

Chemicals Business

The **Chemicals Business** comprises two different product segments, namely **Fluorochemicals** and **Specialty Chemicals**.

Fluorochemicals

Refrigerants & Propellants and Industrial Chemicals

FY 2021 - '22 has been a volatile year, with many uncertainties throughout the year. The year started on a positive outlook, which was soon hit by COVID-19 second wave, semiconductor chip shortage, supply chain issues, force majeure by suppliers, among others. This impacted the domestic refrigerant market negatively. However, the international markets remained strong throughout the year, and we were able to leverage on this opportunity, resulting in our exports sales going up significantly.

The industrial chemicals market witnessed growth due to an expansion in the pharma and agrochemicals

segments. SRF was able to maintain its share and launched one new product early in the year. Dymel®/ Propellants witnessed an increased market share along with entry in new geographies.

Both our sites had stable and safe operations throughout the year. Regardless of various negative external factors, the overall business performance has been stable and higher than last year.

Outlook

Despite disrupted recovery, higher inflation, rise in energy and raw material prices, supply chain bottlenecks, we anticipate an increase in demand on account of pent-up refrigerants requirement in the domestic market and in the industrial chemicals segment.

Exports are likely to remain stable. More specifically, in the United States, with our current reasonable business share and a positive market outlook, we expect to register healthy performance, going forward.

Overall, the Business is anticipated to improve its performance with the commissioning of new plants like CMS, PTFE, along with other cost improvement initiatives including supply chain stabilisation.



Specialty Chemicals Business

In FY 2021 - '22, the Specialty Chemicals Business (SCB) maintained its growth momentum, despite being impacted by the 2nd wave of pandemic, which resulted in challenges such as availability of manpower and other resources. Nevertheless, both sites managed uninterrupted production. In the later part of the year, the Business encountered challenges, such as rising crude prices, logistics issues, and global shortage of some input material that increased the prices of key raw materials required in various processes.

The Business focussed on the customers' key products and their developmental project requirements, while ensuring the production capacities were optimally utilised during the year. This ensured continuity of customers' supply chain. The synergetic effort of all the teams ensured that even in challenging times, the Business maintained its growth trajectory and continued advancing on its key strategic priorities.

The agility demonstrated in supplying some critical and complex intermediates in challenging times was lauded by all our customers. Demonstration of operational excellence by both the sites also helped the Business successfully convert market opportunities into commercial propositions.

Furthermore, we continued our 'Innovation and Technology Leadership' journey by launching several new agrochemical and pharma intermediates. In addition, we also enhanced production capacities of several plants at both the sites, while reducing consumption norms of some raw materials, thereby offsetting the impact of higher raw material prices to some extent.

The Business continues to evaluate its capabilities vis-à-vis the market needs and takes measures to secure its ability to deliver complex specialty products to meet the customers' requirements. During the year, we enhanced our market positioning by commissioning three new dedicated plants.

During the year, SCB secured the Board's approval to build its fourth Multipurpose Plant and a new Pharma Intermediates facility, among other new upcoming facilities at Dahej, Gujarat. The Business continues to make investment towards safer, cleaner,



We continued our 'Innovation and Technology Leadership' journey by launching several new agrochemical and pharma intermediates.



The Business focussed on the customers' key products and their developmental project requirements, while ensuring the production capacities were optimally utilised during the year.

and leaner operations, and further strengthen its sustainability initiatives.

Outlook

The Specialty Chemicals Business remains focussed on agrochemical and pharmaceutical segments, where it collaborates with major global innovators for process development, commercialisation, and production of complex, new-age molecules having downstream application in agrochemical and pharmaceutical segments.

With sustainability and environment at the heart of product development, the Business will continue in its endeavour to deliver better value to its customers. We remain committed to invest in emerging and futuristic technologies, while focussing on operational excellence to grow sustainably.

Chemicals Technology Group

The Chemicals Technology Group (CTG) has been instrumental in bringing path-breaking technologies for new products' development and introduction of new chemistries for the growth of the Fluorochemicals and Specialty Chemicals Businesses.

During the year, CTG continued to boost its capabilities and added new technologies, to support the Businesses. The centrepiece of the sustained growth momentum was technological advances and breakthroughs achieved by our team of researchers and scientists. Today, CTG has transformed into the innovation and technology leadership centre at SRF, developing a variety of new technologies and platforms to bolster SRF into next-level technology play.

For over two decades, CTG has enabled the Business growth in Fluorinated molecules and now it is increasingly engaged in the development of complex non-Fluorinated intermediates. It is crucial to keep on enhancing CTG's capabilities and support systems with rising complexity in developing products and reducing timelines for delivery to market. The R&D and scale-up facilities at Bhiwadi were augmented during the year and a new R&D facility has been commissioned at Bhiwadi to achieve this. In addition, the R&D has been integrated into one location at Bhiwadi, to further improve the collaborative efforts of researchers and scientists.



R&D worked on 57 molecules and many products were successfully taken up for process development. More than 20 molecules were taken up for the scale-up studies and 70% were commercially produced in multipurpose and dedicated plants.

The dedicated R&D facilities, developmental labs, and pilot plant facilities, having many scientists and engineers are working together to achieve the innovation and technology leadership at SRF. SRF continues to invest in R&D for creating propositions for the future and Capital and Revenue expenditures of ~₹ 110 crore was spent during FY 2021 - '22.

R&D worked on 57 molecules and many products were successfully taken up for process development. More than 20 molecules were taken up for the scale-up studies and 70% were commercially produced in multipurpose and dedicated plants.

In FY 2021 - '22, CTG filed fifty-two patents taking the total count to three hundred and sixty-one patents filed so far. Twenty-one patents were granted in FY 2021 - '22 taking the total count of patents granted to the Company to one hundred and fourteen.

Packaging Films Business

FY 2021 - '22 has been a good year for the Packaging Films Business (PFB). Increased demand for food packaging accompanied by hard work and passion of the team and our 'Easy To Do Business With (ETDBW)' philosophy, helped the Business achieve its best-ever performance.

All plants maximised their production, kept costs under control and created their own benchmarks. We could achieve our highest ever output of almost 3,07,000 MT during the year while sustaining best-in-industry cost structures. While optimising our assets to the fullest, we continuously strive to maintain a safe and healthy environment at our plants. In our journey of enhancing our Value-Added Products (VAPs) portfolio,

we launched several new products and grew overall BOPET VAP sales significantly over the previous year. Our team worked relentlessly to start the new BOPP film plant at Thailand despite severe travel restrictions and limited availability of supplier personnel and field experts on-site due to COVID-19 pandemic. Work on the upcoming BOPP film line in India is also progressing well and timely vertical start-up of this line will be an important focus area for us in FY 2022 - '23.

Even during challenging circumstances, the Business is driven by its philosophy of ETDBW, which keeps us focussed on serving our customers every day. Sustainability initiatives continue to remain amongst the topmost priorities for the Business. Recognising our commitment and contribution towards various sustainability-related initiatives, we were recently recognised with the prestigious award for Quality & Sustainability by the International Academy for Quality, a well-reputed global forum for promoting quality & sustainability initiatives.

Outlook

In recent times, several new film lines have been announced in India and globally. In future, we might witness an oversupplied market resulting in pressure on profitability. In FY 2022 - '23, SRF's primary focus will be on running its plants optimally and keeping costs under control. Our manufacturing capability in VAPs has been enhanced by the recent addition of paper metallisation and Alox coating assets and we plan to leverage our capabilities fully to further enhance our VAP portfolio. Efforts will be directed towards the vertical start-up of the BOPP line in India, both in terms of production and sales. In addition, we will continue our work on various sustainability



initiatives driven by the '3R' approach - Reduce, Reuse and Recycle. During the year, we will also keep a close watch on the macro scenario and will remain flexible to adapt our strategy accordingly.

Other Businesses

Coated and Laminated Fabrics Businesses

Coated and Laminated Fabrics Businesses were negatively impacted in the first quarter due to the situation arising from the COVID-19 pandemic. Demand for Coated Fabrics recovered during the year as restrictions on events and outdoor activities eased. SRF continued its price and volume leadership in Laminated Fabrics (LF) Business by selling at full capacity and achieving its highest-ever sales during the year. However, margins remained under pressure in LF as increase in costs could not be passed on completely to the customer due to excess supply.

Outlook

In FY 2022 - '23, we expect the demand to pick up as all restrictions on outdoor events have been lifted. In addition, with an overall revival in economic activity, the Business is anticipating healthy performance. In both the Businesses, the focus will be on increasing sales and working on various cost reduction initiatives.

Human Resources

At SRF, we ensured that we made our people feel a strong sense of security and belongingness, concern for their well-being and above all, a sense of safety, especially in their toughest times. The year began with a devastating wave of the pandemic, and the entire country grappled with it. Our prime focus at this time was to provide 'whatever' was needed by our people. From proper treatment to financial and/or emotional support to medicines to medical equipment, whatever was needed, was provided to the best of our abilities.

In the backdrop of COVID-19, financial well-being also became an important component of employee happiness and therefore, the organisation made concerted efforts to relieve this financial strain by placing increased importance on compensation and benefits, not just limited to but focussing more on COVID-related benefits such as higher insurances, access to proper medical treatment, timely and free vaccination, amongst the many other areas covered.

HR at SRF has been working with agility to reshape and automate its processes, provide custom-made decisions aligning to individual needs. To understand these individual needs even better, we reached

out to Gallup and hope to soon roll out customised solutions in areas that matter most. One such solution was the automated induction plan which was rolled out last year.

Both development and diversity have been at the forefront when it comes to the strategic agenda for the HR function. Building and sustaining diversity by making fundamental cultural changes will remain at the core of the organisational agenda till we are able to achieve desired targets in this space. On the development front, building emotional intelligence through specially-crafted programs for different people in different career stations became a key success factor. Development through special flagship journeys also picked a lot of steam leading to both acceptance and recognition of these.

Industrial Environment

The organisation's overall employee relations remained positive throughout the year. This was a result of our consistent efforts towards keeping our employees engaged. Various initiatives were implemented at the plants that encouraged participation and collaboration. We maintained a pleasant and cordial working environment across all manufacturing locations and witnessed a high in productivity at most of our manufacturing locations.

The total number of permanent employees at SRF stands at **7,389** at the close of business on March 31, 2022. Of these, **6,674** are based at our Indian locations.

Information Technology

Information Technology supported the hybrid work environment with staff working from different locations, bridging the distances very effectively through collaboration solutions. As the working practices stabilised in the new normal, the IT focus shifted to strategic growth projects and core systems modernisation this year.

The ERP system which is the main system of records and transaction processing for the Company is undergoing a generational upgrade which will provide many new-age enhancements and business benefits. As part of this project, the underlying hardware capacity was enhanced, and the database versions of all mission-critical applications were migrated to the latest versions. This provides room for the growth aspirations of the Company on reliable platforms.

The annual planning and budgeting activity is now digitised across all business units giving SRF the benefit of electronically visualising multiple scenarios as the start of the year. The monthly supply chain planning in the Chemicals Business is now fully automated with production batch planning and sourcing being optimally determined considering the market demand and the production capacity constraints, leading to optimal supply chain inventory holding and on-time availability to customers.

There were some Fin-Tech solutions deployed this year in supplier bill discounting and financial consolidation. An automated solution was deployed whereby vendors

Building and sustaining diversity by making fundamental cultural changes will remain at the core of the organisational agenda till we are able to achieve desired targets in this space.

FY 2021 - '22 witnessed the strengthening of the Foundation's Education Program. SRF Foundation turns Government schools into dynamic centres of education.

can auction on a marketplace to bid for early payment of their invoices. The quarterly consolidation and preparation of financial books is a time-consuming exercise. This process was It-enabled on an application which facilitated automated consolidation while consolidating the budget variance explanations and notes to accounts from the finance teams.

In the current scenario, it is important to give our new recruits a streamlined and good experience. The entire recruitment process was digitised to improve the turnaround time while improving the repository of candidates. The employee on-boarding process was also automated to ensure a uniform experience for new joiners.

Information security continues to a major focus area considering the volatile global situation. Solutions were put in place to protect and recover the SRF IT assets from a ransomware attack while also limiting its ability to spread. Automated Vulnerability management solution was put in place to discover and plug security gaps across the enterprise.

SRF will continue to invest in essential Information Technologies to keep operations running optimally while giving businesses an edge to compete globally with innovative offerings.

Community Partnerships

Building on its long-term commitment to the sustainable and inclusive growth of the community, SRF Foundation, the Corporate Social Responsibility arm of SRF Limited, expanded its scope of work and

took concrete steps in compliance with Section 135 of the Companies Act 2013 during FY 2021 - '22.

The Foundation continued to focus on the identified areas of Education, Vocational Skills, Environment, Rural Development, Disaster Management, Promotion of Arts and Culture and affirmative action on sustainable basis. Furthermore, it strengthened its Public Private Community Partnership (PPCP) model to positively affect the lives of people.

FY 2021 - '22 witnessed the strengthening of the Foundation's Education Program. SRF Foundation turns Government schools into dynamic centres of education. These schools are transformed into "Model Schools" through physical infra and digital development as well as the academic and school leadership transformation. Today, we have reached 414 Government schools across 24 locations in 12 states directly and indirectly by collaborating with likeminded partners providing quality education to more than 1,52,529 students, and training 4,401 teachers and headmasters.

To promote digital inclusion, SRF Foundation is working on KidSmart Centres, World on Wheels & GetSmart Mobile Digital Labs, Common Services Lab, and Digital Smart TV Classroom Programs in the intervention locations. In addition, the SRF Foundation is committed to turning schools into centres of innovation through future skills programs such as Tinker Coding Program, Atal Community Innovation Centers, Coding for Girls, and ATAL Tinkering Labs.

SRF Foundation undertook several new initiatives to improve the employability of people around its plant locations by providing vocational skills in partnerships with Amway India and Schneider Electric. This initiative benefited 897 school dropout youth and women from the marginalised community in FY 2021- '22. The Foundation also supported a child nutrition program through its project, 'Power of 5'.

Through its Natural Resource Management (NRM) program, SRF Foundation continued to reach the economically weaker families near its manufacturing plant in Bhiwadi, Rajasthan to improve their livelihood by adopting the watershed-based livelihood and environment conservation approach. In FY 2021 - '22, the program benefited more than 12,320 people in 35 villages around SRF Bhiwadi plant in the Tijara block where rainfall is below normal, by maintaining 206 earthen dams and ensuring the proper usage of these dams.

SRF Foundation conducted vaccination drive for more than 15,000 people, installed oxygen plants, and provided 60 oxygen concentrators for the benefit of the marginalised community around SRF plant locations.

As part of disaster management, we performed flood relief work in Gwalior, Gummidipoondi and Manali locations by distributing ration kits, blankets, and food to 3,376 people.

During the year, the Foundation was conferred the CSR Times Award (Gold category) for our Rural Education Program.

Internal Control System and Internal Audit

Being an enabling function, Internal Audit & Risk Management steers and coordinates the internal controls and risk management system. It provides standard operating procedures, methods, and tools, which forms the basis for enterprise risk management and internal control process.

The Internal Audit team develops a comprehensive annual internal audit plan employing systematic approach, which is risk-based audit area identification commensurate with the size and nature of business activities of the Company. In addition, the statutory auditor assesses the fundamental suitability of



internal audit for ensuring the effectiveness of internal financial controls as part of its audit of the annual financial statements. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the said plan. The Company has a well-documented system of internal financial controls in place commensurate with its size, scale, and complexity of operations. These controls have been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets, executing transactions with proper authorisation, and ensuring compliance with corporate policies. The controls based on the prevailing business conditions and processes have been tested by internal/reputed external auditors during the year and no reportable material weaknesses in the design or effectiveness were observed.

The Internal Audit team also monitors and evaluates the efficacy and adequacy of internal control systems in the Company, the ERP solutions, the accounting procedures, and policies at all locations. Based on the gaps reported in the internal audit report, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Any significant audit observations and corrective actions thereon are presented to the Audit Committee.

The Audit Committee reviews the reports submitted by the Internal Auditors (both internal and external) in each of its meetings. The Company also has a robust and comprehensive framework of Control Self-Assessment (CSA), which promotes

self-compliance monitoring mechanism in accordance with laid down policies and procedures, regulatory environment through IT-enabled platform such as CSA tool and Compliance Manager.

Risk Management

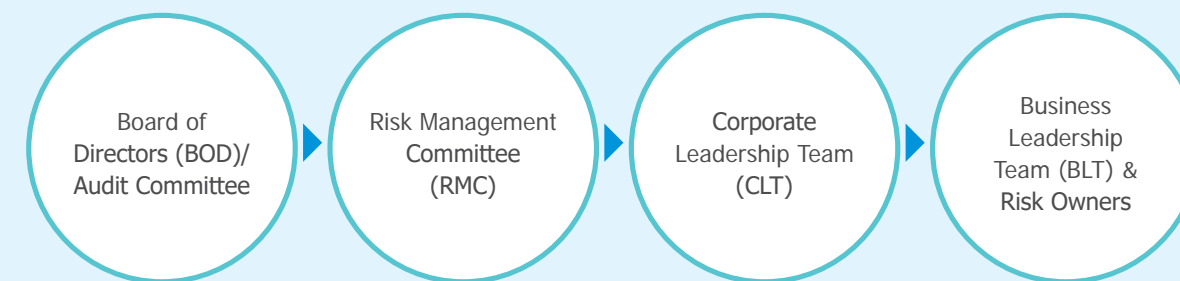
The Company has developed and implemented a Risk Management Framework, which is approved by the Board. Further, Board has constituted a Risk Management Committee (RMC) to oversee key risks and assist the Board in efficient management of risk management process.

The Risk Management Policy, inter alia, includes identification therein of elements of risk, including those, which in the opinion of the Board/RMC may threaten the existence of the Company or may have a significant material impact. Risk management process has been an integral part of the Company strategy and planning process. The Company has established a risk management framework to identify, assess and frame a response to threats that can affect its business objectives and stakeholders. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organisation. The responsibility of tracking and monitoring the key risks of the business/function periodically and implementing suitable mitigation plans proactively is with the senior executives of various business/functional units.

Risk Management Process



Risk Governance Structure



The key roles and responsibilities regarding risk management in the Company are summarised as follows:

1. Board of Directors (BOD) & the Audit Committee:

- The Board of Directors holds the overall responsibility for an effective risk management system. The Audit Committee of the Board examines the appropriateness and effectiveness of the risk management system at least once a year and reports to the Board
- Review the risks that may threaten the existence of the Company
- Consider the recommendation of Risk Management Committee on Risk Management Plan / Policy

2. Risk Management Committee (RMC):

- Overview Company's risk management framework and its compliance
- Identifications of key risks which may significantly impact the performance of the Company
- Review of policy, key risks as identified by management, provide guidance to the management, and updates the Board & Audit Committee on the same

3. Corporate Leadership Team (CLT):

- Assist the Board/Audit Committee in evaluating the effectiveness of Risk Management System
- Develop risk management framework and policy
- Review key risks and mitigation action plan
- Review effectiveness of risk mitigation strategies, develop counter measure if any and update the same to RMC

4. Business Leadership Team (BLT) & Risk Owners:

- Identification, classification, and prioritisation of risks into high, medium, and low as per risk management framework
- Identify and implement risk mitigation measures
- Periodically review mitigation measures status, develop counter measures, if any
- Provide status update of key risks to CLT

Corporate Governance Report

Risk Classification

All the risks have been broadly classified into following categories:



Strategic Risk

Risk arising out of macro-economics and other external conditions which can significantly impact Company's strategic business decision, future aspiration, and financial performance



Financial & Reporting Risk

Financial reporting risk arises from the evolving accounting and financial reporting requirement, increasingly complex business model, etc.



Operational Risk

Risks of loss due to inadequate manufacturing process, insufficient resources, inadequate processes, safety or failure thereof, insufficient skill or people



IT and Cyber Risk

Potential loss due to non-availability of technical infrastructure or appropriate software technology, impact on data integrity, data theft or loss of Intellectual Property Right (IPR) due to compromised network security



Regulatory Risk

Risks arising out of regulatory non-compliances

During FY 2021 - '22, significant changes in the key financial ratios as per listing regulations were as follows:

Ratio	FY 2021 - '22	FY 2020 - '21	% Change	Remarks
Interest Coverage Ratio = (EBDIT - Current Tax) / Gross Interest and lease payments	19.04	12.02	58.41%	Higher operating margins and lower finance costs
Return on Net Worth = PAT / Net Worth	19.77%	14.70%	34.50%	Increase in PAT by 62.91% from ₹ 925.06 crore in FY21 to ₹ 1,507.01 crore in FY22

Philosophy of the Company on Corporate Governance

For SRF Limited (SRF), good corporate governance means adoption of best practices to ensure that the Company operates not only within the regulatory framework, but is also guided by broader business ethics. The adoption of such corporate practices — based on transparency and proper disclosures — ensures accountability of the persons in charge of the Company and brings benefits to investors, customers, creditors, employees and the society at large.

Board of Directors

Composition of the Board

As on March 31, 2022, SRF's Board consisted of 10 Directors, of which four are executives of the Company (including the Chairman, who is an Executive Chairman), and six are independent. Table 1 gives the details of the Board as on March 31, 2022.

Table 1: Composition of the Board of Directors of SRF

Name of Director	Category of Director	No. of Directorships of Indian Public Ltd Co. (other than SRF Limited)*	No. of Committees where Chairperson or Member (including SRF Limited)#		Name of Listed Entities & Category of Directorship
			Chairperson	Member	
Mr. Arun Bharat Ram **	Executive Chairman, Promoter	3	-	2	- J K Paper Limited – Independent Director
Mr. Ashish Bharat Ram***	Executive, Promoter	5	1	1	- KAMA Holdings Limited – Non-Executive Director - Havells India Limited – Independent Director
Mr. Kartik Bharat Ram***	Executive, Promoter	3	-	2	- KAMA Holdings Limited – Non- Executive Director
Mr. Pramod G Gujarathi	Executive	1	-	1	- Chemiesynth (Vapi) Limited – Independent Director
Mr. Tejpreet S Chopra	Non-Executive, Independent	3	1	1	- Gujarat Pipavav Port Limited – Independent Director - Indian Energy Exchange Limited – Independent Director - Tube Investments of India Ltd. – Independent Director

Name of Director	Category of Director	No. of Directorships of Indian Public Ltd Co. (other than SRF Limited)*	No. of Committees where Chairperson or Member (including SRF Limited)#		Name of Listed Entities & Category of Directorship
			Chairperson	Member	
Mr. Lakshman Lakshminarayan	Non-Executive, Independent	0	1	-	
Mr. Vellayan Subbiah	Non-Executive, Independent	5	1	3	- Tube Investments of India Limited – Executive, Promoter Director - Cholamandalam Investment and Finance Company Limited - Non-Executive Director - Cholamandalam Financial Holdings Limited - Non-Executive Director - CG Power and Industrial Solutions Limited - Non-Executive Director
Mrs. Bharti Gupta Ramola	Non-Executive, Independent	2	1	1	- HDFC Life Insurance Company Limited – Independent Director
Mr. Puneet Yadu Dalmia	Non-Executive, Independent	3	-	-	- Dalmia Bharat Limited- Managing Director - Piramal Enterprises Ltd - Additional Independent Director - Piramal Capital & Housing Finance Ltd - Additional Independent Director
Mr. Yash Gupta	Non-Executive, Independent	1	-	1	-

* Other directorships does not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.

Membership & Chairmanship of Stakeholder Relationship Committee & Audit Committee of Indian Public Companies have been considered.

** Mr. Arun Bharat Ram ceased to be Director from the closing of business hours on March 31, 2022 and was appointed as “Chairman Emeritus” wef April 1, 2022.

*** Mr. Ashish Bharat Ram was redesignated as Chairman and Managing Director and Mr. Kartik Bharat Ram was redesignated as Joint Managing Director wef 01.04.2022.

Approval of the shareholders to these changes is being sought in this annual general meeting.

Mr. Arun Bharat Ram is the father of Mr. Ashish Bharat Ram and Mr. Kartik Bharat Ram.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board :

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

Skills available with Board as per skill matrix -

Sl. No.	Name of Director	Industry knowledge/ experience	Technical skills/ experience	Behavioural Competencies
1.	Mr. Arun Bharat Ram*	b,d,e,f,g	b,e,f,g	a,b,c,d,e,f,h,i
2.	Mr. Ashish Bharat Ram	b,c,d,e,f,g	a,d,e,f,g	a,c,d,e,f,g,h,i
3.	Mr. Kartik Bharat Ram	b,d,e,f,g	c,d,e,f,g	a,b,c,d,e,f,h,i
4.	Mr. Lakshman Lakshminarayan	b,c,d,e,f,g	a,b,c,f	a,b,e,f,g,i
5.	Mr. Vellayan Subbiah	a,b,c,d,e,f,g	a,b,e,f	a,c,d,e,f,g,h
6.	Mr. Tejpreet S Chopra	b,c,d,f,g	d,e,f,g	a,c,d,e,f,g,h
7.	Mr. Pramod G. Gujarathi	b,c,f,g	b,d,	a,b,c,f,g
8.	Mrs. Bharti Gupta Ramola	a,c,d,e,g	a,d,f,g	a,c,d,f,g,h
9.	Mr. Puneet Yadu Dalmia	b,c,d,e,f,g	a,b,e,f	a,b,c,d,e,f,i
10.	Mr. Yash Gupta	a,d,e,f,g	a,c,e,f,g	a,b,c,d,e,f,h

*Mr. Arun Bharat Ram ceased to be Director from the closing of business hours on March 31, 2022 and was appointed as “Chairman Emeritus” wef April 1, 2022.

Certificate from M/s. Rohit Parmar & Associates, Practising Company Secretary (Registration No. 22137) dated April 28, 2022, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the SEBI/ Ministry of Corporate Affairs or any such Statutory Authority as stipulated under Regulation 34(3) of the Listing Regulations, is attached to this Report.

Independent Directors on the Board are Non-Executive Directors

Our definition of ‘Independence’ of Directors is derived from Regulation 16 of Listing Regulations, and Section 149(6) of the Companies Act, 2013. Based on the

confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors are Independent in terms of Regulation 16 of Listing Regulations and Section 149(6) of the Companies Act, 2013.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Companies Act and Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the

declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

None of the Directors on the Board holds directorships in more than ten public companies. None of our Directors serve as a director/ independent director on more than seven listed entities. None of our Directors who is serving as whole time Director/Managing Director in any listed entity is holding position of independent director in more than three listed entities. None of the Directors is a member of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

Independent Directors' Meeting

In accordance with the applicable provisions of Companies Act, 2013 and Listing Regulations, a

meeting of the Independent Directors of the Company was held on January 25, 2022, without the attendance of Non-Independent Directors and members of the management.

Familiarisation Programme

Your Company has put in place familiarisation programme for all its Directors including the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc and the familiarisation programme for the Independent Directors is available on the website of the Company at the link <https://www.srf.com/investors/corporate-governance/>.

Number of Board Meetings

During 2021-22, the Board of Directors met seven times on the dates as referred below in Table 2.

Table 2: Attendance of directors in Board Meetings and Annual General Meeting (AGM) held during the year in 2021-22

Name of the Director	Date of Board Meeting and Attendance of Directors							Date of AGM and Attendance of Directors
	May 5, 2021	July 28, 2021	August 31, 2021	October 15, 2021	October 25, 2021	January 25, 2022	March 28, 2022	
Mr. Arun Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ashish Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Kartik Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Pramod G Gujarathi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Tejpreet S Chopra	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Lakshman Lakshminarayan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Vellayan Subbiah	Yes	Yes	No	Yes	Yes	Yes	Yes	No
Dr. Meenakshi Gopinath*	Yes	Yes	NA	NA	NA	NA	NA	NA
Mrs. Bharti Gupta Ramola	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Mr. Puneet Yadu Dalmia	Yes	No	Yes	Yes	Yes	Yes	No	Yes
Mr. Yash Gupta	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

*Dr Meenakshi Gopinath ceased to be Director – CSR wef 31.08.2021.

Remuneration of Directors

Table 3 gives the remuneration paid or payable to the Directors of SRF Limited for financial year 2021-22 and table 4 gives details of Service Contracts

Table 3: Remuneration Paid or Payable

Sl. No	Name	Salary & Allowances	Sitting Fees	Perquisites	Provident Fund and Superannuation and leave encashment	Commission (Provided)/ Professional Fees	Total (₹ In Crores)
1	Mr Arun Bharat Ram	3.12		0.29	3.00	6.00	12.41
2	Mr Ashish Bharat Ram	4.86	-	1.28	0.61	6.00	12.76
3	Mr Kartik Bharat Ram	4.86	-	1.00	0.61	6.00	12.47
4	Mr Pramod G Gujarathi	0.21	-		0.01		0.22
5	Dr. Meenakshi Gopinath		0.01	-	-	0.06	0.06
6	Mr Tejpreet S Chopra	-	0.06	-	-	0.15	0.21
7	Mr L. Lakshman	-	0.04	-	-	0.15	0.19
8	Mr Vellayan Subbiah	-	0.04	-	-	0.15	0.19
9	Mrs. Bharti Gupta Ramola	-	0.04	-	-	0.15	0.19
10	Mr. Puneet Dalmia	-	0.036	-	-	0.15	0.19
11	Mr Yash Gupta	-	0.062	-	-	0.15	0.21
Total		13.05	0.29	2.57	4.23	18.96	39.10

The Nomination and Remuneration Committee has laid down criteria for making payments to non-executive directors, which inter alia, includes level of remuneration /commission payable by other comparable companies, time devoted, experience, providing guidance on strategic matters and such other factors as it may deem fit.

The non-executive directors are entitled to remuneration up to an aggregate limit of one percent per annum of the net profits of the Company. Within the aforesaid limit, the commission payable is determined by the Board and equal amount of commission is payable to all the Independent Non-Executive Directors in accordance with the NRC Policy. For the year under review, remuneration to non-executive directors was approved by the Board of Directors with the interested non-executive directors, not participating or voting in the resolution.

Table 4: Details of Service Contracts

Name of Director	Tenure	Notice Period	Severance Fee
Mr. Ashish Bharat Ram	5 years w.e.f. May 23, 2020	3 months by either party	As per the provisions of the Companies Act, 2013
Mr. Kartik Bharat Ram	5 years w.e.f June 01, 2021	3 months by either party	As per the provisions of the Companies Act, 2013
Mr. Pramod Gopaldas Gujarathi	3 years w.e.f. April 01, 2020	1 month by either party	Nil

Shareholding of Non-Executive Directors

Table 5 gives details of the shares held by the non-executive Directors as on March 31, 2022.

Table 5: Equity Shares held by Non-Executive Directors as on March 31, 2022

Name of Director	Category	Number of Equity Shares Held
Mr. Tejpreet S Chopra	Independent	3,335
Mr. Lakshman Lakshminarayan	Independent	-
Mr. Vellayan Subbiah	Independent	67,035
Mrs. Bharti Gupta Ramola	Independent	-
Mr. Puneet Yadu Dalmia	Independent	-
Mr. Yash Gupta	Independent	1,000

The Company has not issued any convertible securities to any Director

Information Supplied to the Board

The Board has complete access to all information with the Company. Inter-alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting:

- Annual operating plans and budgets and any update thereof
- Capital budgets and any updates thereof
- Quarterly results of the Company and operating divisions and business segments
- Minutes of the meetings of the audit committee and other committees of the Board
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary
- Materially important show cause, demand, prosecution notices and penalty notices
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company

- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

In addition to the above, pursuant to the Listing Regulations the minutes of the Board meetings of your Company's unlisted subsidiary companies and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board.

Code of Conduct

The Company's Board has laid down a Code of Conduct for all Board members and senior management of the Company. The Code of Conduct is available on the website of the Company, <https://www.srf.com/investors/corporate-governance/>. All Board members and designated senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

Risk Management

The Company has laid down procedures to inform the Board members about the risk assessment and minimisation procedures. These procedures are being periodically reviewed to ensure that management controls risk through means of a properly defined framework.

Statutory Committees of the Board

a) Audit Committee

i) Terms of Reference

The terms of reference of the Audit Committee are wide enough covering the matters as per the guidelines set out in the Listing Regulations read with Section 177 of the Companies Act, 2013. These broadly includes approval of annual internal audit plan, review of financial reporting systems, ensuring compliance with regulatory guidelines, discussions on quarterly, half yearly and annual financial results, interaction with statutory, internal and cost auditors, recommendation for appointment, remuneration and term of auditors, examination of financial statements and auditors' report thereon, review the functioning of the Whistle Blower Mechanism, review and monitor the auditor's independence and performance and effectiveness of audit process, approval or any subsequent modification of transactions of the Company with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the company, wherever it is necessary, evaluation of internal financial controls and risk management systems, reviewing with the management adequacy of internal

control system and reviewing the utilization of loan and/ or advances from/ investment by the holding company in the subsidiary company exceeding prescribed limit.

In addition, the Committee also mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee, and
- Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

ii) Composition of Audit Committee and Attendance of members in Audit Committee Meeting held during the year

As on March 31, 2022, the Audit Committee of SRF comprised of three Directors all of whom are independent, namely Mr. Lakshman Lakshminarayan as Chairman, Mr. Vellayan Subbiah and Mrs. Bharti Gupta Ramola as members. The constitution of the Committee meets the requirements of Section 177 of the Companies Act, 2013, as

well as Regulation 18 of Listing Regulations. All the members of the Audit Committee are financially literate. Chairman, Managing Director, Deputy Managing Director, CFO, Internal Auditors and Statutory Auditors are invitees to the Committee. Company

Secretary of the Company acts as Secretary to the Committee.

Table 6 provides details of the Audit Committee meetings held during the year 2021-22 and attendance of its members.

Table 6: Attendance Record of Audit Committee Meetings during 2021-22

Name of Members	Category	Date of Audit Committee Meeting and Attendance of Members			
		May 5, 2021	July 28, 2021	October 25, 2021	January 25, 2022
Mr. Lakshman Lakshminarayan (Chairman)	Independent, Non-Executive	Yes	Yes	Yes	Yes
Mr. Vellayan Subbiah	Independent, Non-Executive	Yes	Yes	Yes	Yes
Mrs. Bharti Gupta Ramola	Independent, Non-Executive	Yes	Yes	Yes	Yes

b) Nomination and Remuneration Committee

i) Terms of Reference :

The terms of reference of the Committee are wide enough covering the matters specified in Listing Regulations and the Companies Act, 2013 and Terms of reference of the Committee briefly are as under:

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

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

ii) Composition of Nomination and Remuneration Committee and Attendance of members in the meetings of the Nomination and Remuneration Committee held during the year

As on March 31, 2022, this Committee comprised of three Directors, all of whom are independent, namely Mr. Tejpreet S Chopra (Chairman), Mr. Yash Gupta and Mr. Puneet Yadu Dalmia as Members. The constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013.

Table 7 provides details of the Nomination and Remuneration Committee meetings held during the year 2021-22 and attendance of its members.

Table 7: Attendance Record of Nomination and Remuneration Committee Meetings during 2021-22

Name of Members	Category	Date of NRC Meeting and Attendance of Members			
		October 22, 2021	November 1, 2021	January 19, 2022	March 21, 2022
Mr. Tejpreet S Chopra (Chairman)	Independent, Non-Executive	Yes	No	Yes	Yes
Mr. Puneet Yadu Dalmia	Independent, Non-Executive	Yes	Yes	Yes	Yes
Mr. Yash Gupta	Independent, Non-Executive	Yes	Yes	Yes	Yes

iii) Annual Evaluation of Board, Committees and Individual Directors

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and as per the Nomination, Appointment and Remuneration Policy, the Board of Directors/ Independent Directors/Nomination & Remuneration Committee ("NRC") (as applicable) had undertaken an evaluation of the Board's own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

Performance evaluation of independent directors is done by the Nomination and Remuneration Committee on criteria more particularly described in the Nomination, Appointment and

Remuneration Policy, a copy of which is attached as Annexure I to the Board Report.

Based on the recommendations of the NRC, the Board of Directors decide to continue their appointment or consider them for reappointment, as applicable.

iv) Nomination, Appointment and Remuneration Policy

The Company's Nomination, Appointment and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Personnel forms part of the Board's Report and is also accessible on Company's website www.srf.com.

c) Stakeholders Relationship Committee

As on March 31, 2022, this Committee comprised four Directors—two executive Directors and two non-executive Directors, namely Mr. Tejpreet S Chopra, Independent Director is Chairman, Mr. Yash Gupta, Independent Director and Mr. Ashish Bharat Ram & Mr. Kartik Bharat Ram Executive Directors are members of the Committee.

Table 8 provides details of the Stakeholders Relationship Committee meetings held during the year 2021-22 and attendance of its members.

Table 8: Attendance Record of Stakeholders Relationship Committee Meetings during 2021-22

Name of Members	Category	Date of Stakeholders Relationship Committee Meeting and Attendance of Members									
		12-Apr-2021	28-Apr-2021	22-Jun-2021	03-Aug-2021	16-Sep-2021	11-Oct-2021	25-Oct-2021	22-Dec-2021	31-Jan-2022	21-Mar-2022
Mr. Tejpreet S Chopra (Chairman)	Non-Executive, Independent	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ashish Bharat Ram	Executive, Promoter	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Kartik Bharat Ram	Executive, Promoter	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Yash Gupta	Non-Executive, Independent	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Mr. Rajat Lakhanpal, VP (Corporate Compliance) & Company Secretary is Compliance Officer under Listing Regulations.

As on March 31, 2021, no investor complaint was pending with the Registrar and Share Transfer Agent. Table 9 gives data on the shareholder/investor complaints received and redressed during the year 2021-22.

Table 9: Shareholder and Investor Complaints received and redressed during 2021-22

Total Complaints Received	Total Complaints Redressed	Complaints not solved to the satisfaction of Shareholders	Pending as on March 31, 2022
394	394	Nil	Nil

d) Corporate Social Responsibility Committee

As on March 31, 2022, this Committee comprised of four Directors—Mr. Kartik Bharat Ram (Chairman), Mr. Arun Bharat Ram, Mr. Lakshman Lakshminarayan and Mr. Yash Gupta (appointed wef 25.10.2021) as members. The constitution of the Committee meets the requirements of Section 135 of the Companies Act, 2013. Dr. Meenakshi Gopinath ceased to be Director wef 31.08.2021 and consequently ceased to be Chairperson of CSR Committee.

The terms of reference of the Committee in line with the requirements of the Section 135 of the Companies Act, 2013 and the rules framed thereunder. No Meeting of CSR Committee held during the year 2021-22.

e) Risk Management Committee

As on March 31, 2022, this Committee comprised of three Directors— Mr. Ashish Bharat Ram as Chairman, Mr. Kartik Bharat Ram and Mrs. Bharti Gupta Ramola as Members. The composition of the Committee is in conformity with Regulation 21 of the Listing Regulations.

As on March 31, 2022, brief description of terms of reference of Risk Management Committee inter alia includes the following:

(1) To formulate a detailed risk management policy which shall include:

- (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly,

ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Table 11 provides details of the Risk Management Committee meetings held during the year 2021-22 and attendance of its members.

Table 11: Attendance Record of Risk Management Committee Meeting during 2021-22

Name of Members	Category	Date of meeting and Attendance of Director December 27, 2021
Mr. Ashish Bharat Ram (Chairman)	Executive, Promoter	Yes
Mr. Kartik Bharat Ram	Executive, Promoter	Yes
Mrs. Bharti Gupta Ramola	Independent, Non-Executive	Yes

The Company has held one meeting of the Risk management committee during the current financial year as per the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing regulations') read with notification no. SEBI/LAD-NRO/GN/2021/22 dated 5 May 2021 ('Notification'). Based on the requirements of the Listing regulations and the

Notification, the Company would be holding two risk management committee meetings from calendar year 2022 onwards.

f) Committee of Directors – Financial Resources

As on March 31, 2022, this Committee comprised of three Directors— Mr. Arun Bharat Ram, Mr. Ashish Bharat Ram and Mr. Kartik Bharat Ram all of whom are executive directors.

Table 12 provides details of the Committee of Directors- Financial Resources meetings held during the year 2021--22 and attendance of its members.

Name of Members	Date of Committee of Directors- Financial Resources Meeting and Attendance of Members								
	1-Jun-2021	28-Jul-2021	03-Sep-2021	08-Oct-2021	09-Nov-2021	03-Dec-2021	24-Dec-2021	25-Jan-2022	18-Feb-2022
Mr. Arun Bharat Ram	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ashish Bharat Ram	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes
Mr. Kartik Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Management

Management Discussion and Analysis

This is given as a separate chapter in this Annual Report.

Disclosure Requirements

- During the year 2021-22, the Company had no materially significant related party transactions. Transactions with related parties are disclosed in Note No 32 to the Financial Statements. The Company has policies on materiality of Related Party Transactions and on dealing with Related Party Transactions. The said policies are available on the website of the Company at <https://www.srf.com/investors/corporate-governance/>. Policy of determining 'material

subsidiaries' is available on the website of the Company at <https://www.srf.com/investors/corporate-governance/>

- The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. The Company has complied with all the applicable requirements of capital markets and no penalties or strictures have been imposed on the Company by Stock Exchange(s), SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

- Vigil Mechanism Policy : Section 177 (9) of the Companies Act, 2013 and Regulation 22 of Listing Regulations requires that a Company shall have a

vigil mechanism for directors and employees for reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Vigil Mechanism Policy of the Company includes Code of Conduct for Directors and Senior Management Personnel, Code of Conduct for employees, Policy against sexual harassment, Whistle blower Policy and Code of Conduct for Prevention of Insider Trading. The Company is following such a policy and crux of which is disclosed by the Company on its website at <https://www.srf.com/investors/corporate-governance/>. No personnel has been denied access to the Audit Committee for raising his/her concern under this policy during financial year 2021-22.

- The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 (as applicable) and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations
- This Corporate Governance Report of the Company for the year 2021-22 is in compliance with the requirements of Listing Regulations, as applicable.

Non-Mandatory Requirement

The status of adoption of the non-mandatory requirements as specified in sub – regulation 1 of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

- (a) The Board :** The Chairman of the Company is Executive Chairman; **(b) Shareholder Rights:** Half-yearly and other quarterly financial statements are published in newspapers and uploaded on Company's website www.srf.com. **(c) Modified opinion(s) in audit report:** The Company already has in place a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements; and **(d) Reporting of Internal Auditor:** The Internal Auditor of the Company reports to the President & CFO of the Company and has direct access to the Audit Committee.

CEO/CFO certification

The Certificate in compliance with Regulation 17(8) of Listing Regulations was placed before the Board of Directors.

Appointment/ Reappointment/Resignation of Directors

Dr. Meenaskhi Gopinath, Director CSR was retiring by rotation in 50th Annual General Meeting and had expressed her intention not to seek re-appointment. She retired at 50th Annual General Meeting held on 31.08.2021 and ceased to be Director of the Company.

Mr. Arun Bharat Ram, Executive Chairman ceased to be the Director of the Company from the closing of business hours on March 31, 2022 and was appointed as Chairman Emeritus of the Company for a term of five years with effect from April 1, 2022.

Mr. Ashish Bharat Ram was redesignated as Chairman and Managing Director and Mr. Kartik Bharat Ram redesignated as Joint Managing Director wef 01.04.2022.

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

Mr. Raj Kumar Jain, was appointed as an Additional Independent Director w.e.f May 9, 2022 subject to approval by the shareholders at this annual general meeting. Further, he was also appointed as member of Audit Committee w.e.f May 10, 2022.

Means of Communication with Shareholders

Quarterly and annual results of SRF are published in two major national dailies, generally Business Standard / Financial Express (in English) and Jansatta (in Hindi). In addition, these results are posted on the website of the Company, www.srf.com. The website also contains other information regarding SRF available in the public domain.

SRF communicates with its institutional shareholders through analysts briefing and individual discussions between the fund managers and the management team. The presentations made to analysts and funds managers are posted on the Company's website.

General body meetings

Last three Annual General Body Meetings

The details of the last three AGMs are given in Table 14.

Table 14 : Last three AGMs of the Company

Year	Location	Date	Time	No. of Special Resolutions Passed
2018-19	Laxmipat Singhanian Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	August 5, 2019	3.30 P.M.	2
2019-20	Video Conferencing. Deemed Venue- The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091	August 17, 2020	11.00 A.M.	2
2020-21	Video Conferencing. Deemed Venue- The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091	August 31, 2021	11.00 A.M.	1

Postal Ballot

During the year the Company had passed One special and One ordinary Resolution for change in share capital clause of Memorandum of Association and Issuance of Bonus shares respectively as per following details :

Date of Postal Ballot Notice : August 31, 2021	Voting period : September 7, 2021 to October 6, 2021
Date of approval : October 6, 2021	Date of declaration of result : October 6, 2021

Sl. No.	Name of the resolution	Type of resolution	No. of votes polled	Votes cast in favour		Votes cast against	
				No. of votes	%	No. of votes	%
1	Approval for cancellation of unissued portion of authorized preference share capital and corresponding increase in authorised equity share capital of the Company and consequent alteration of the Memorandum of Association	Special	45268341	45266961	99.9970	1380	0.0030
2	Issue of Bonus Shares	Ordinary	45268624	44646020	98.6246	622604	1.3754

Procedure for Postal Ballot In compliance with Listing Regulations and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs for holding general meetings/conducting postal ballot process through e-voting vide General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020 and 10/2021 dated June 23, 2021 ("MCA Circulars"), the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company has availed E-voting facility offered by KFin Technologies Private Limited (R&T Agent of the Company) for conducting e-voting by members of the Company and as permissible under the Act, notices to the shareholders were sent through e-mail whose e-mail ids were registered with depository participants and Registrar and Transfer Agent. The Company has also provided option for e-voting to those shareholders, who held shares in Physical form. In compliance with the requirements of the MCA Circulars, hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope were not sent to the shareholders for this Postal Ballot and shareholders were requested to communicate their assent/dissent through the remote e-voting system only. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements and procedure for registration of the email address as mandated under the Act and applicable Rules and recent circulars.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members were entitled to exercise their votes by electronic mode only and were requested to vote before close of business hours on the last date of e-voting. The scrutinizer submitted his report to Mr. Rajat Lakhnopal, VP (Corporate Compliance) & Company Secretary (who was duly authorised by the Chairman in this regard), after the completion of scrutiny, the results of the voting by postal ballot were then announced by him. The results were also displayed on the website of the Company, www.srf.com, besides being communicated to the stock exchanges, depositories

and registrar and share transfer agent. The date of passing of the resolutions was 06.10.2021 i.e. last date of voting and date of declaration of the results was 06.10.2021.

Additional Shareholder Information

51st Annual General Meeting

Day: Thursday
Date: July 21, 2022
Time: 11.00 A.M.
Mode: Video Conferencing

Venue: The Company is conducting meeting through VC / OAVM pursuant to the Ministry of Corporate Affairs ("MCA"), vide Circular No. 14/2020 dated April 8 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 5, 2020 read together Circular No. 02/2021 dated January 13, 2021 and Circular No. 2/2022 dated May 5, 2022 (collectively referred to as 'MCA Circulars') and SEBI vide its circular dated May 12, 2020, January 15, 2021 and May 13, 2022 (collectively referred to as 'SEBI Circulars') and deemed venue for meeting will be Registered Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091 For details please refer to the Notice of this AGM.

Financial Year

April 1 to March 31

Tentative Financial Calendar for Results, 2022-23

First Quarter	Third week of July 2022
Second Quarter	First week of November 2022
Third Quarter	Last week of January 2023
Fourth Quarter and Annual	Second week of May 2023

Interim Dividend Payment Date

During the financial year 2021-22, the Company has issued Bonus Shares on October 15, 2021 in the ratio of 4:1. Two interim dividends of ₹ 12 (120%) pre-Bonus and ₹ 4.75 per share (47.5%) post-bonus on the paid up capital of the Company absorbing ₹ 211.89 Crores approx. were paid on August 25, 2021 and February 23, 2022 respectively.

Unclaimed Shares Suspense Account

Issue of 23,69,80,820 Bonus shares of ₹ 10 each fully paid up in the ratio of 4:1 was approved by the shareholders through postal ballot on October 06, 2021 and allotted by the Board of Directors at its meeting held on October 15, 2021. Physical share certificates which were returned undelivered are lying as unclaimed with the Registrar & Transfer Agent of the Company (RTA).

Pursuant to the requirements of Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (dealing with unclaimed shares in the physical form), 1st Reminder letter was sent to the shareholders on 25.03.2022, requesting them to claim the shares lying with the Company as unclaimed by submitting the relevant documents. The Company shall transfer the unclaimed shares to "Unclaimed Suspense Account" opened with a depository in compliance with the listing regulations in due course of time.

List of Credit Ratings

Instrument	Rating Agency	Rating	Outlook
Fund Based and Non-Fund Based Limits	India Ratings	IND AA+/Stable/IND A1+	Stable
Fund Based and Non-Fund Based Limits	CRISIL	CRISIL AA+/Stable/ CRISIL A1+	Stable
Long Term Loans	India Ratings	IND AA+/Stable	Stable
Long Term Loans	CRISIL	CRISIL AA+/Stable	Stable
Commercial Papers	India Ratings	IND A1+	Stable
Commercial Papers	CRISIL	CRISIL A1+	Stable
Non-Convertible Debentures	CRISIL	CRISIL AA+/Stable	Stable

During the year under review there is no revision in Credit Rating.

Listing on Stock Exchanges in India

SRF's shares are listed on the BSE and the NSE and debentures are listed on NSE. The Company has paid the listing fee to both BSE and NSE for the year 2021-22. The Stock Codes are:

Stock Exchanges	Equity Shares	Debentures
BSE Limited 25 th Floor, P.J. Towers Dalal Street, Mumbai 400 001	503806	
National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex Bandra (E) Mumbai 400 051	SRF	SRF 22

Details of Total fees paid to Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part

B S R & Co. LLP, Chartered Accountant who are the Statutory Auditors of the Company are a part of B S R & Associates network. During financial year 2021-22, total fees paid by the Company and its subsidiaries on a consolidated basis to B S R & Co. LLP, Chartered Accountant and all entities forming part of B S R & Associates network is ₹ 1.34 Crores (excluding out of pocket expenses).

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year 2021-22

No. of complaints filed during the financial year	3
No. of complaints disposed off during the financial year	3
No. of complaints pending as on the end of the financial year	0

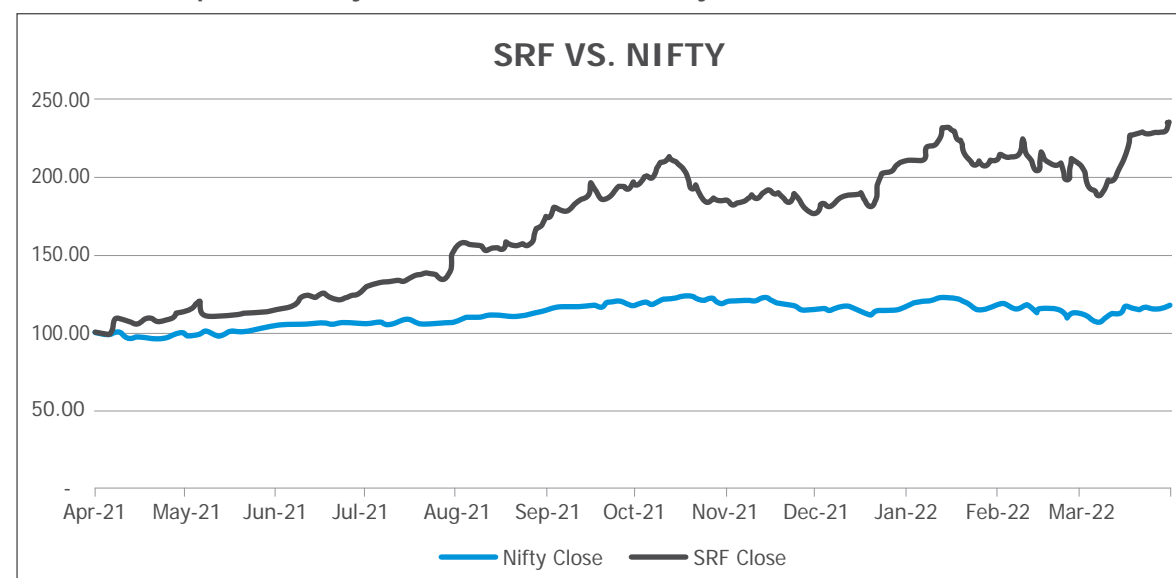
Stock Market Data

Table 15 gives the monthly high and low quotations as well as the volume of shares traded at BSE and NSE during 2021-22.

Table 15: Monthly Highs and Lows and Volumes Traded at the BSE and NSE during 2021-22

Month	BSE			NSE		
	Highest Price (₹)	Lowest Price (₹)	Volume (No.)	Highest Price (₹)	Lowest Price (₹)	Volume (No.)
Apr-21	6,588.85	5,410.00	2,04,093	6,590.00	5,436.05	46,56,564
May-21	6,986.05	6,200.00	2,24,868	6,999.00	6,181.20	56,04,063
Jun-21	7,307.25	6,468.50	1,52,384	7,310.00	6,461.70	33,24,618
Jul-21	8,720.20	7,250.00	2,19,835	8,724.80	7,251.00	43,41,681
Aug-21	10,354.25	8,649.95	2,86,979	10,345.00	8,610.00	63,00,785
Sep-21	11,409.00	9,826.00	3,11,288	11,378.20	9,825.10	65,87,490
Oct-21	12,599.95	2,060.00	11,84,862	12,600.00	2,065.00	1,98,56,836
Nov-21	2,250.00	1,975.00	12,84,450	2,249.95	1,973.10	4,27,19,655
Dec-21	2,427.25	1,994.05	8,42,491	2,428.15	1,994.00	1,86,65,096
Jan-22	2,679.00	2,271.45	8,08,197	2,680.00	2,268.55	1,80,13,956
Feb-22	2,610.55	2,258.80	7,62,363	2,611.85	2,259.25	1,37,11,734
Mar-22	2,734.00	2,106.35	6,66,462	2,734.60	2,106.00	1,86,37,731

Chart 1: Share prices of Nifty versus SRF Limited for the year ended March 31 2022



Note 1: Both Nifty and SRF share prices are indexed to 100 as on April 1, 2021

Note 2: The shares traded during the period April 1, 2021 to October 12, 2021 have been indexed to post bonus share issue quantum.

Registrar and Share Transfer Agents

M/s KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), Hyderabad are the Registrar and Share Transfer Agent of the Company for handling both electronic and physical shares.

Share Transfer System

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 request for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in dematerialized form with the depositories. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LADNRO/ GN/2022/66 dated January 24, 2022) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Transmission, Transposition etc).

Depository System

Shareholders can trade in the Company's shares only in electronic form. The process for getting the shares de-materialised is as follows:

- Shareholder submits the shares certificate along with De-materialisation Request Form (DRF) to Depository Participant (DP)

- DP processes the DRF and generates a unique De-materialisation Request No
- DP forwards the DRF and share certificates to the Registrar and Share Transfer Agent (RTA)
- RTA after processing the DRF confirms or rejects the request to Depositories
- If confirmed by the RTA, depositories give the credit to shareholder in his /her account maintained with DP

This process takes approximately 10-15 days from the date of receipt of DRF.

As the trading in the shares of the Company can be done only in the electronic form, it is advisable that the shareholders who have the shares in physical form get their shares dematerialised.

Dematerialisation of Shares & Liquidity

As on March 31, 2022, out of 29,64,21,025 Equity Shares of ₹ 10/- each, 29,29,07,644 shares (98.81%) were held in electronic form by 2,13,171 shareholders and balance 35,13,381 shares (1.19%) were held by 7,660 shareholders in physical form.

Distribution of Shareholding as on March 31, 2022[@]

Table 16 gives the distribution of shares according to shareholding class, while Table 17 gives the distribution of shareholding by ownership.

Table 16: Pattern of Shareholding by Share Class as on March 31, 2022

No. of Equity Shares held	No. of shareholders	% of Shareholders	No. of shares	% of Shareholding
Upto 500	207,300	93.86	9,664,526	3.26
501- 1000	5,830	2.64	4,470,123	1.51
1001- 2000	3,841	1.74	5,573,306	1.88
2001- 3000	1,404	0.64	3,503,591	1.18
3001- 4000	566	0.26	1,998,960	0.67
4001- 5000	397	0.18	1,860,178	0.63
5001- 10000	612	0.28	4,410,269	1.49
10001 & Above	881	0.40	264,940,072	89.38
Total	220,831	100.00	296,421,025	100.00

Table 17: Pattern of Shareholding by Ownership as on March 31, 2022

Sl. No	Category	Total Shares	% To Equity
1	PROMOTER COMPANIES	150,245,000	50.69
2	FOREIGN PORTFOLIO - CORP	58,080,039	19.59
3	RESIDENT INDIVIDUALS	36,551,391	12.33
4	MUTUAL FUNDS	24,622,097	8.31
5	Qualified Institutional Buyer	12,852,262	4.34
6	BODIES CORPORATES	3,862,208	1.30
7	NON RESIDENT INDIAN NON REPATRIABLE	3,572,357	1.21
8	I E P F	1,993,040	0.67
9	CLEARING MEMBERS	1,237,929	0.42
10	H U F	1,055,109	0.36
11	EMPLOYEES	611,089	0.21
12	NON RESIDENT INDIANS	565,839	0.19
13	INSURANCE COMPANIES	508,910	0.17
14	ALTERNATIVE INVESTMENT FUND	366,069	0.12
15	PROMOTERS	137,500	0.05
16	DIRECTORS	71,370	0.02
17	FOREIGN INSTITUTIONAL INVESTORS	29,743	0.01
18	BANKS	19,580	0.01
19	UNIT TRUST OF INDIA	17,265	0.01
20	TRUSTS	12,343	0.00
21	NBFC	9,879	0.00
22	FOREIGN NATIONALS	6	0.00
	Total	296,421,025	100.00

@Including holdings by NSDL and CDSL

Outstanding GDRs/ ADRs/ Warrants or Any Convertible Instruments, Their Conversion Dates and Likely Impact on Equity

As on March 31, 2022, there were no outstanding GDRs/ ADRs/ Warrants or any convertible instruments

Commodity price risk or foreign exchange risk and hedging activities

During the year 2021-22, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. There is no direct hedgeable commodity risk that the Company has on any of its raw materials or finished products. Thus, the Foreign Exchange Risk Management Policy covers only net forex exposure on account of its imports and exports.

The details of foreign currency exposure are disclosed in the Note No. 38 to the Financial Statements.

Plant Locations

Business	Plant Locations
Technical Textiles Business	<ul style="list-style-type: none"> Manali Industrial Area, Manali, Chennai-600068, Tamil Nadu Industrial Area, Malanpur, Distt. Bhind-477116, MP Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi, Dist. Thiruvallur- 601 201, Tamil Nadu Viralimalai, Distt. Pudukottai - 621 316, Tamil Nadu Plot No. 12, Rampura, Ramnagar Road, Kashipur, Dist. Udham Singh Nagar-244713, Uttarakhand
Chemicals and Other Business	<ul style="list-style-type: none"> Village & P.O. Jhiwana, Tehsil Tijara, Distt. Alwar - 301 018, Rajasthan DII / I GIDC. PCPIR, GIDC Phase II, Tal Vagra, Vill. Dahej, Dist Bharuch-392130, Gujarat
Packaging Films Business	<ul style="list-style-type: none"> Plot No. 12, Rampura, Ramnagar Road, Kashipur, Dist. Udham Singh Nagar-244713, Uttarakhand Plot No. C 1-8, C 21-30, Sector 3, Indore Special Economic Zone, Pithampur, Dist. Dhar-454775, Indore, MP Plot No. 675, Industrial Area, Sector 3, Village Bagdoon, Pithampur, Dist. Dhar - 454775, Indore MP Plot No 3-A, Industrial Growth Sector Kheda, Kheda, Dist-Dhar, Madhya Pradesh, 454775

Address for Correspondence

Registered Office	Corporate Office	Registrar & Share Transfer Agent	Debenture Trustee
The Galleria, DLF Mayur Vihar, Unit No.236 & 237, Second Floor, Mayur Place, Mayur Vihar, Phase-I Extn., Delhi - 110091 Tel No.: (+ 91-11) 49482870 Fax No.:(+ 91-11) 49482900 E-mail : cs@srf.com	Block - C, Sector -45 Gurugram 122 003 Tel No.:(+ 91-124) 4354400 Fax No.: (+ 91-124) 4354500 E-mail : cs@srf.com	KFin Technologies Limited Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad - 500032 E-mail : einward.ris@kfintech.com Website: https://www.kfintech.com Toll Free No. 1- 800-309-4001	Visra ITCL (India) Limited Corporate Office : 602. 'A' Wing, The Qube, Hasan Pada Rd, Mittal Industrial Estate, Marol, Andheri-E, Mumbai 400059 Website: www.visra.com Contact Person: Compliance Officer Tel No.: +91 22 69300000 Email: itclcomplianceofficer@visra.com

Declaration Regarding Code of Conduct

I, Ashish Bharat Ram, Chairman & Managing Director of SRF Limited hereby declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended March 31, 2022.

Date: May 9, 2022
Place: Gurugram

Ashish Bharat Ram
Chairman & Managing Director

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SRF Limited having CIN L18101DL1970PLC005197 and having registered office at the Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extension, New Delhi-110091 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2022, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in the Company*
1.	Mr. Arun Bharat Ram**	00694766	01/08/1975
2.	Mr. Ashish Bharat Ram	00671567	23/05/2005
3.	Mr. Kartik Bharat Ram	00008557	14/11/2006
4.	Mr. Lakshman Lakshminarayan	00012554	11/11/2011
5.	Mr. Puneet Yadu Dalmia	00022633	01/04/2019
6.	Mr. Yash Gupta	00299621	01/04/2019
7.	Mr. Tejpreet Singh Chopra	00317683	21/09/2011
8.	Mrs. Bharti Gupta Ramola	00356188	04/02/2019
9.	Mr. Pramod Gopaldas Gujarathi	00418958	01/04/2017
10.	Mr. Vellayan Subbiah	01138759	01/05/2012

*The date of appointment is as per the MCA Portal.

**Mr. Arun Bharat Ram, resigned as Executive Chairman of the Company w.e.f April 01, 2022.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Rohit Parmar

Rohit Parmar & Associates

Company Secretaries

ACS No.: 54442, C.P. No.: 22137

UDIN: A054442D000226328

Place: New Delhi
Date: April 28, 2022

Independent Auditor's Report

To the Members of SRF Limited

**Report on the Audit of the Standalone
Financial Statements**

Opinion

We have audited the standalone financial statements of SRF Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matter

Accounting for derivatives

The key audit matter	How the matter was addressed in our audit
An important element of Company's fund-raising strategy involves various types of borrowings including foreign currency denominated borrowings and a combination of fixed and floating interest rates, and also foreign currency denominated loans and advances to other parties. The Company's operating activities are also exposed to significant foreign exchange risk (refer to note 38 of the standalone financial statements).	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: <ul style="list-style-type: none"> Tested the design, implementation and operating effectiveness of controls over the Company's treasury and other related functions which directly impact the relevant account balances and transactions, including hedge accounting. For selected samples via statistical sampling, obtained external confirmations from counterparties of the year end positions as well as agreed to original agreements.
The Company uses derivative financial instruments to mitigate foreign currency risk and interest rate risk primarily through foreign currency forward exchange contracts and interest rate swaps.	

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for derivatives

The key audit matter	How the matter was addressed in our audit
<p>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.</p> <p>Given the significant level of judgement and estimation involved and the quantitative significance, we have determined this to be a key audit matter.</p>	<ul style="list-style-type: none"> - Performed sample tests of valuation and accounting of these transactions. In doing so we have involved valuation specialists to assist us in carrying out aforesaid procedure, as considered necessary. - Assessed the adequacy of disclosures in the financial statements in respect of both non-derivative and derivative financial instruments.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards

(Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in

our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements.
 - b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 38 to the standalone financial statements.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 41 (g) (viii) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 41 (g) (ix) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Firm's Registration No.: 101248W/W-100022

Kaushal Kishore

Partner

Place: Gurugram

Membership No.: 090075

Date: 27 May 2022

UDIN: 22090075AJTEDQ5066

Annexure A to the Independent Auditor's Report on Standalone Financial Statements

With reference to the Annexure A referred to in the Independent Auditor's Report of even date to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified

in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value as at 31 March 2022 (₹ in Crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in the name of the Company/ Remarks
Land at Bharuch, Dahej, Gujarat	109.29 (carried cost)	Gujarat Industrial Development Corporation ('GIDC') at Dahej, Gujarat	No	From June 2009 onwards (by multiple allotment orders)	The execution of lease deed of land in respect of 1,165,437 square meters of leasehold land already allotted (out of a total of 1,181,776 square meters) to the Company is pending. We understand that, as a process agreed with GIDC, the same will be executed once the entire/ substantial portion of the above piece of land is allotted/ handed over to the Company.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- (ii) (a) The inventories, except goods-in-transit, have been physically verified by the management during the year. For goods-in-transit, subsequent evidence of receipts till date of the report has been linked with inventory records. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis
- (a) Based on the audit procedures carried out by us and, as per the information and explanations given to us, the Company has provided loans, or stood guarantee, to any other entity as below:

Particulars	Guarantees (₹ Crores)	Loans (₹ Crores)
Aggregate amount during the year		
- Subsidiaries	190.84	230.20
- Others (Employees)	-	28.12
Balance outstanding as at the balance sheet date		
- Subsidiaries	1,614.94	565.72
- Others (Employees)	-	22.75

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made and guarantees provided during the year, and the terms and conditions of the grant of loans and guarantees provided during the year, are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the loan of ₹ 2.75 Crores

of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in, provided guarantees, and granted loans to companies and other parties, in respect of which the requisite information is as below. The Company has not made any investments in, provided guarantees and granted loans to firms or limited liability partnership.

given to SRF Altech Limited, which is repayable on demand. As informed to us, the Company has demanded repayment of the loan during the year and the same has been received during the year. The interest on this loan was not due during the year ended 31 March 2022. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, following instance of loan, falling due during the year, was settled by a fresh loan:

Name of the party	Aggregate amount settled by fresh loan	Percentage of the aggregate to the total loans granted during the year
SRF Global BV	₹ 227.45 Crores	88.05%

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company has not granted any loans, or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, except for the following loan to a related party as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act").

Particulars	Related Party
Loan repayable on demand	₹ 2.75 Crores
Percentage of loans granted to the total loans	1.06%

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion, the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount* (₹ Crores)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Excise Laws	Excise Duty	9.32	1993-2002	Upto Commissioner (Appeals)	None
Service Tax Laws	Service Tax	1.58	2006-15	Upto Commissioner (Appeals)	Customs, Excise & Service Tax Appellate Tribunal
		0.98	2008-12		
Customs Law	Customs Duty	1.27	2012-13	Supreme Court	
		0.27	2016-19	High Court	
		0.17	2002	Upto Commissioner (Appeals)	
Sales Tax Laws	Sales Tax	0.34	2015-16	High Court	
		4.97	1993-2017	Sales Tax Appellate Tribunal	
		7.68	1988-2017	Upto Commissioner (Appeals)	
Income Tax Laws	Income Tax	1.13	Assessment Year (AY) 1989-90	Supreme Court	
		22.66	AY 2016-17	Income Tax Appellate Tribunal	
Goods & Service tax Laws	Goods & Services Tax	0.23	2017-18	Upto Commissioner (Appeals)	
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	0.21	2011-16	EPF Appellate Tribunal	
		0.30	2011-13	Central Government Industrial Tribunal	

The following matters, which have been excluded from the above table, have been decided in favour of the Company but the department has preferred appeals at higher levels. The details are given below:

Name of the statute	Nature of the dues	Amount* (₹ Crores)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Laws	Income Tax	5.55	AY 2000-04	High Court	None
Central Excise Laws	Excise Duty	1.18	1994-95	High Court	
		2.24	1989-95	Upto Commissioner (Appeals)	
Customs Law	Customs Duty	0.01	2012-13	Upto Commissioner (Appeals)	

*The amounts disclosed are net of payments and include interest and penalties, wherever applicable.

Also refer to note 31 of the standalone financial statements with regard to income tax demand raised subsequent to year-end.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has taken funds from the following entity to meet the obligations of its subsidiary as per details below:

Nature of fund taken	Name of lender	Amount involved	Name of the relevant subsidiary	Relationship	Nature of transaction for which funds utilised	Remarks, if any
Term Loan	HSBC Bank	₹ 227.45 Crores	SRF Global BV	Subsidiary	Repayment of loan due to SRF Limited	None

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any joint ventures or associate companies.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made
- or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, other than ₹ 200 Crores which remained unutilised as at 31 March 2022 because the funds were received towards the end of the year. The Company has temporarily kept such unutilised balance in fixed deposits as at 31 March 2022.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act

- has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Kaushal Kishore
Partner
Place: Gurugram
Date: 27 May 2022
Membership No.: 090075
UDIN: 22090075AJTEDQ5066

Annexure B to the Independent Auditors' report on the standalone financial statements of SRF Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of SRF Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors,

the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Kaushal Kishore

Partner

Place: Gurugram

Membership No.: 090075

Date: 27 May 2022

UDIN: 22090075AJTEDQ5066

Standalone Balance Sheet

as at March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at	As at
		March 31, 2022	March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	5,750.50	5,568.33
Right-of-use assets	37	255.35	216.76
Capital work-in-progress	2.1	1,617.04	436.13
Goodwill	3	-	0.62
Other intangible assets	4	108.13	109.88
Financial assets			
(i) Investments	5	92.82	87.76
(ii) Loans	6	410.05	346.70
(iii) Other financial assets	7	140.53	80.61
Non-current tax assets (net)	20	21.31	33.74
Other non-current assets	8	207.48	173.36
Total non-current assets		8,603.21	7,053.89
Current assets			
Inventories	9	1,750.88	1,286.70
Financial assets			
(i) Investments	5	316.74	412.52
(ii) Trade receivables	10	1,350.99	1,012.00
(iii) Cash and cash equivalents	11	319.64	86.72
(iv) Bank balances other than above	12	8.87	143.71
(v) Loans	6	178.42	281.48
(vi) Other financial assets	7	226.51	217.64
Other current assets	8	179.96	216.64
Total current assets		4,332.01	3,657.41
Assets classified as held for sale	40	3.00	-
TOTAL ASSETS		12,938.22	10,711.30
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	297.44	60.26
Other equity	14	7,327.36	6,235.01
Total equity		7,624.80	6,295.27
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	1,189.73	1,422.24
(ii) Lease liabilities	37	95.18	63.83
(iii) Other financial liabilities	19	153.53	0.54
Provisions	16	44.86	38.23
Deferred tax liabilities (net)	17	613.04	326.46
Total non-current liabilities		2,096.34	1,851.30

Standalone Balance Sheet (CONTD.)

as at March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at	As at
		March 31, 2022	March 31, 2021
Current liabilities			
Financial liabilities			
(i) Borrowings	15	1,585.17	1,152.84
(ii) Lease liabilities	37	20.66	13.80
(iii) Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		55.98	33.37
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,284.39	1,163.12
(iv) Other financial liabilities	19	148.15	109.08
Other current liabilities	21	107.56	75.79
Provisions	16	5.42	7.00
Current tax liabilities (net)	20	9.75	9.73
Total current liabilities		3,217.08	2,564.73
Total Liabilities		5,313.42	4,416.03
TOTAL EQUITY AND LIABILITIES		12,938.22	10,711.30

Summary of significant accounting policies

1B

See accompanying notes to the standalone financial statements

2 to 41

As per our report of even date attached For and on behalf of the Board of Directors

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

Chartered Accountants

ICAI Firm registration no.

101248W / W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place : Gurugram

Date : May 27, 2022

Ashish Bharat Ram

Chairman and Managing

Director

DIN - 00671567

Place : Gurugram

Date : May 09, 2022

Kartik Bharat Ram

Joint Managing Director

DIN - 00008557

Place : Gurugram

Date : May 09, 2022

Rahul Jain

President & CFO

Place : Gurugram

Date : May 09, 2022

Bharti Gupta Ramola

Director

DIN - 00356188

Place : Gurugram

Date : May 09, 2022

Rajat Lakhnupal

Vice President

(Corporate Compliance)

and Company Secretary

Place : Gurugram

Date : May 09, 2022

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I Revenue from operations	22	9,953.44	6,988.32
II Other income	23	135.31	63.30
III Total Income (I + II)		10,088.75	7,051.62
IV Expenses			
Cost of materials consumed	24.1	4,748.26	3,278.50
Purchases of stock-in-trade	24.2	137.27	60.49
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.3	(193.25)	(28.21)
Employee benefits expense	25	658.48	534.13
Finance costs	26	94.45	111.21
Depreciation and amortisation expense	27	419.23	383.60
Other expenses	28	2,069.27	1,401.93
Total Expenses (IV)		7,933.71	5,741.65
V Profit before tax (III - IV)		2,155.04	1,309.97
VI Tax expense	29		
Current tax		616.41	327.23
Deferred tax			
MAT credit entitlement		(25.27)	(5.38)
Others		56.89	63.06
Total tax expense		648.03	384.91
VII Profit for the year (V - VI)		1,507.01	925.06
VIII Other comprehensive income			
A Items that will not be reclassified to profit or loss			
(i)(a) Gain / (loss) of defined benefit obligation	14.2, 33.2	(7.30)	2.41
(i)(b) Income tax on item (i)(a) above	14.2, 30	2.55	(0.84)
B Items that will be reclassified to profit or loss			
(i)(a) Effective portion of gain / (loss) on hedging instruments in a cash flow hedge	14.3	39.99	132.33
(i)(b) Income tax on item (i)(a) above	14.3, 30	(13.03)	(46.24)

Standalone Statement of Profit and Loss (CONTD.)

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
(ii)(a) Cost of Hedging Reserve	14.10	1.48	0.95
(ii)(b) Income tax on item (ii)(a) above	14.10, 30	(0.45)	(0.33)
Total other comprehensive income for the year, net of taxes (A(i) + B(i+ii))		23.24	88.28
IX Total comprehensive income for the year (VII + VIII)		1,530.25	1,013.34
Basic and Diluted Earnings per equity share (in ₹)	36	50.86	31.33
Summary of significant accounting policies	1B		
See accompanying notes to the standalone financial statements	2 to 41		

As per our report of even date attached For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place : Gurugram
Date : May 27, 2022

Ashish Bharat Ram
Chairman and Managing
Director
DIN - 00671567
Place : Gurugram
Date : May 09, 2022

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557
Place : Gurugram
Date : May 09, 2022

Rahul Jain
President & CFO
Place : Gurugram
Date : May 09, 2022

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram
Date : May 09, 2022

Rajat Lakhanpal
Vice President
(Corporate Compliance)
and Company Secretary
Place : Gurugram
Date : May 09, 2022

Standalone Cash Flow Statement

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,155.04	1,309.97
Adjustments for:		
Finance costs	94.45	111.21
Interest income	(32.20)	(9.24)
Net gain on sale of property, plant and equipment	(3.09)	(0.39)
Net gain on financial assets measured at fair value through profit and loss	(7.06)	(25.45)
Credit impaired assets provided / written off	0.76	12.06
Depreciation and amortisation expense	419.23	383.60
Property, plant and equipment and inventory discarded / provided	18.83	3.36
Provision / liabilities no longer required written back	(2.59)	(11.42)
Net unrealised currency exchange fluctuation (gain) / loss	(21.27)	7.59
Employee share based payment expense	11.11	0.97
Stamp duty on purchase of investments	0.08	0.15
Adjustments for (increase) / decrease in operating assets :-		
Trade receivables	(331.15)	(274.12)
Inventories	(472.29)	(178.37)
Loans (current)	(1.04)	(1.04)
Loans (non-current)	(4.16)	(0.60)
Other assets (current)	44.44	49.92
Other assets (non-current)	(1.85)	(3.97)
Adjustments for increase / (decrease) in operating liabilities :-		
Trade payables	142.65	248.04
Provisions	5.05	6.32
Other liabilities (current)	(15.34)	22.01
Cash generated from operations	1,999.60	1,650.60
Income taxes paid (net of refunds)	(361.99)	(229.00)
Net cash generated from operating activities	1,637.61	1,421.60
B CASH FLOW FROM INVESTING ACTIVITIES		
Net sale / (purchases) of current investments	102.84	(188.57)
Stamp duty on purchase of investments	(0.08)	(0.15)
Purchase of non-current investments	(5.06)	-
Interest received	31.57	0.07
Bank balances not considered as cash and cash equivalents	104.84	(134.68)
Payment for purchase of property, plant and equipment, capital work-in-progress and other intangible assets	(1,575.85)	(853.05)
Proceeds from disposal of property, plant and equipment	14.95	4.06
Loans given to subsidiaries	(230.20)	(617.49)
Repayment of loans received from subsidiaries	277.41	-
Net cash used in investing activities	(1,279.58)	(1,789.81)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	0.20	750.00
Costs incurred on issue of shares	-	(11.99)
Proceeds from borrowings (Non-current)	455.36	1,294.04
Repayment of borrowings (Non-current)	(414.05)	(1,344.41)
Net proceeds / (repayment) from borrowings (Current)	157.22	(42.57)
Dividends on equity share capital paid	(211.74)	(140.78)
Repayment towards lease liability	(25.68)	(20.19)
Finance costs paid	(86.42)	(127.43)
Net cash (used in) / generated from financing activities	(125.11)	356.67
Net increase / (decrease) in cash and cash equivalents	232.92	(11.54)
Cash and cash equivalents at the beginning of the year	86.72	98.26
Cash and cash equivalents at the end of the year (Refer to note 11)	319.64	86.72

Standalone Cash Flow Statement (CONTD.)

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Notes:

- The cash flow statement has been prepared under indirect method as set out in Indian Accounting Standard-7 (Ind AS) on 'Statement of Cash Flows'.
- During the year, the Company paid in cash ₹ 21.75 Crores (Previous year: ₹ 10.18 Crores) towards corporate social responsibility (CSR) expenditure.
- The following table discloses changes in liabilities arising from financing activities, including both cash and non-cash changes:

Particulars	As at March 31, 2021	Cash flow from financing activities	Non-cash changes					As at March 31, 2022	
			Upfront fees amortised	Exchange fluctuation changes [#]	Finance cost [#]	Interim dividend declared	Lease liability of securities recognised		Utilisation of securities premium
Equity share capital	60.26	0.20	-	-	-	-	-	236.98	297.44
Securities premium	736.25	-	-	-	-	-	-	(226.69)	509.56
Non-current borrowings *	1,812.82	41.31	1.48	(3.39)	-	-	-	-	1,852.22
Current borrowings [^]	762.26	157.22	-	3.20	-	-	-	-	922.68
Interest accrued	4.47	(86.42)	-	-	85.65	-	-	-	3.70
Lease liability	77.62	(25.68)	-	-	8.70	-	55.20	-	115.84
Dividend	6.57	(211.74)	-	-	-	211.89	-	-	6.72
Total	3,460.25	(125.11)	1.48	(0.19)	94.35	211.89	55.20	10.29	3,708.16

Particulars	As at March 31, 2020	Cash flow from financing activities	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	6.04	(140.78)	-	-	-	141.31	-	-	6.57
Total	2,839.29	356.67	2.30	1.30	115.75	141.31	3.63	3.63	3,460.25

* including current maturities of long term borrowings

[^] excluding current maturities of long term borrowings

[#] including amount capitalised

See accompanying notes to the standalone financial statements 2 to 41

As per our report of even date attached For and on behalf of the Board of Directors

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

Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place : Gurugram
Date : May 27, 2022

Ashish Bharat Ram
Chairman and Managing
Director
DIN - 00671567
Place : Gurugram
Date : May 09, 2022

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557
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President & CFO
Place : Gurugram
Date : May 09, 2022

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram
Date : May 09, 2022

Rajat Laxhanpal
Vice President
(Corporate Compliance)
and Company Secretary
Place : Gurugram
Date : May 09, 2022

Standalone Statement of Changes In Equity

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at March 31, 2020	58.50
Changes in equity share capital during the year	1.76
Balance at March 31, 2021	60.26
Changes in equity share capital during the year	237.18
Balance at March 31, 2022	297.44

(b) Other Equity

Particulars	Reserves and Surplus*					Items of other comprehensive income*					Total equity
	Capital reserve	General reserve	Capital redemption reserve	Securities premium	Debenture redemption reserve	Employee share based payment reserve	Retained earnings	Effective portion of cash flow hedge	Equity instrument through other comprehensive income	Cost of hedging reserve	
Balance at March 31, 2020	219.19	573.54	10.48	-	75.00	1.56	3828.76	(78.56)	(4.22)	-	- 4,625.75
Profit for the year	-	-	-	-	-	-	925.06	-	-	-	- 925.06
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	1.57	86.09	-	0.62	88.28
Total comprehensive income for the year	-	-	-	-	-	-	926.63	86.09	-	0.62	1,013.34
Payment of dividend ^	-	-	-	-	-	-	(141.31)	-	-	-	(141.31)
Employee share based payment expense	-	-	-	-	-	0.98	-	-	-	-	0.98
Transfer to debenture redemption reserve	-	-	-	-	-	-	(62.50)	-	-	-	(62.50)
Transfer to general reserve	-	-	-	-	(75.00)	-	-	-	-	-	(75.00)
Transfer from debenture redemption reserve	-	75.00	-	-	-	-	-	-	-	-	75.00
Transfer from retained earnings	-	-	-	-	62.50	-	-	-	-	-	62.50
Premium on issue of equity shares (net of issue expenses) ^	-	-	-	736.25	-	-	-	-	-	-	736.25
Balance at March 31, 2021	219.19	648.54	10.48	736.25	62.50	2.54	4551.58	7.53	(4.22)	0.62	6,235.01
Profit for the year	-	-	-	-	-	-	1,507.01	-	-	-	1,507.01
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(4.75)	26.96	-	1.03	23.24
Total comprehensive income for the year	-	-	-	-	-	-	1,502.26	26.96	-	1.03	1,530.25
Payment of dividend ^	-	-	-	-	-	-	(211.89)	-	-	-	(211.89)
Employee share based payment expense	-	-	-	-	-	10.91	-	-	-	-	10.91
Recognised / (released) on vesting of shares issued under employee share purchase scheme	-	-	-	10.29	-	(10.23)	-	-	-	-	0.06
Utilisation on issue of bonus equity shares	-	-	-	(236.98)	-	-	-	-	-	-	(236.98)
Balance at March 31, 2022	219.19	648.54	10.48	509.56	62.50	3.22	5841.95	34.49	(4.22)	1.65	7,327.36

* Refer note 14

^ Refer note 13.1

See accompanying notes to the standalone financial statements 2 to 41

As per our report of even date attached For and on behalf of the Board of Directors

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

Chartered Accountants

ICAI Firm registration no.

101248W / W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place : Gurugram

Date : May 27, 2022

Ashish Bharat Ram

Chairman and Managing

Director

DIN - 00671567

Place : Gurugram

Date : May 09, 2022

Rahul Jain

President & CFO

Place : Gurugram

Date : May 09, 2022

Kartik Bharat Ram

Joint Managing Director

DIN - 00008557

Place : Gurugram

Date : May 09, 2022

Bharti Gupta Ramola

Director

DIN - 00356188

Place : Gurugram

Date : May 09, 2022

Rajat Laxhanpal

Vice President

(Corporate Compliance)

and Company Secretary

Place : Gurugram

Date : May 09, 2022

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

1 Corporate Information, Significant Accounting Policies and Significant Accounting Judgements, Estimates and Assumptions

A CORPORATE INFORMATION

SRF Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's equity shares are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 and 237, Second Floor, Mayur Vihar Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110091. The Company's parent company is KAMA Holdings Limited.

The principal activities of the Company are manufacturing, purchase and sale of technical textiles, chemicals, packaging films and other polymers.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 9, 2022.

B SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation

These standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provisions of the Act.

The standalone financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

- Defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation

- Share-based payments

The standalone financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all values are rounded to the nearest crores, except when otherwise indicated.

The principal accounting policies are set out below.

2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

- It is held primarily for the purpose of trading

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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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

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Freehold land is not depreciated.

Depreciation is calculated on a pro rata basis except assets costing upto ₹ 5,000 each, which are fully depreciated in the year of purchase.

An item of property, plant and equipment or any significant part initially recognised of such item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives considered are as follows:

Trademarks / Brand	10-30 years
Technical Knowhow	30-40 years
Software	3-5 years
Other intangibles	2.5-8 years

The Company has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

6 Research and development expenditure

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design

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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

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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.

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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

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an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs incurred for the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

In case of a specific borrowing taken for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised shall be the actual borrowing costs incurred during the period less any interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset.

In case funds are borrowed generally and such funds are used for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised are calculated by applying the weighted average capitalisation rate on general borrowings outstanding during the period, to the expenditures incurred on the qualifying asset.

If any specific borrowing remains outstanding after the related asset is ready for its intended use, that borrowing is considered part of the funds that are borrowed generally for calculating the capitalisation rate.

11 Foreign Currencies

Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

(i) Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to exchange differences arising from cash flow hedges to the extent that the hedges are effective and those covered below.

(ii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016:

Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance useful life of the assets.

(iii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016:

The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is treated in accordance with Ind AS 21/ Ind AS 109. Refer point (i) above.

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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.

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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.

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b) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the 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.

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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

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market price less exercise price) of the equity instruments on the grant date. This compensation expense is amortised over the remaining tenure over which the employees renders their service on a straight line basis.

18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the Company are classified in three categories:

- At amortised cost
- At fair value through profit and loss (FVTPL)
- At fair value through other comprehensive income (FVTOCI)

Financial Asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets not classified as measured at amortised cost or FVTOCI as are measured at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value.

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Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Investments representing equity interest in subsidiaries are carried at cost less any provision for impairment.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. Any gain or loss on derecognition is recognised in profit or loss.

When the Company has retained substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to

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the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

B) Financial liabilities and Equity instruments Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

The Company's financial liabilities includes borrowings, trade and other payables including financial guarantee contracts and derivative financial instruments.

Subsequent measurement Borrowings

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption/repayment amount is recognised in profit and loss over the period of the borrowings using the effective interest rate method.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified entity fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Equity instrument

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

21 Derivative and non derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments (such as forward currency

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

contracts, interest rate swaps and full currency swaps) or non derivative financial assets / liabilities to hedge its foreign currency risks and interest rate risks. The Company has opted for "Hedge Accounting" for all its derivative as well as non-derivative financial instrument used for hedging. Accordingly, at the inception of the hedge the Company formally designates a hedge relationship between the 'hedging instrument' and 'hedged item' which determines the initial recognition of the financial instrument as Fair Value Hedge or Cashflow hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. These financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit and loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in statement of profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Notes to the standalone financial statements

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The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the statement of profit and loss. In some cases, the Company separates the premium element and the spot element of a forward contract and designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. In such cases, the changes in the fair value of the premium element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as 'cost of hedging'. The changes in the fair value of such premium element or foreign currency basis spread are reclassified to profit or loss as a reclassification adjustment on a straight-line basis over the period of the forward contract or the financial instrument.

The Company also designates non derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for the hedge of foreign currency risk associated with highly probable forecasted transactions and, accordingly, applies cash flow hedge accounting for such relationships.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as

a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, the hedge accounting will be discontinued prospectively. Any cumulative gain or loss previously recognised in other comprehensive income remains separately in other equity if the forecast transaction or the foreign currency firm commitment is expected to occur else the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

22 Fair value measurement

The Company measures some of its financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in

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its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

23 Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

24 Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

25 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The appropriate level of management must be committed to a plan to sell, an active programme to locate a buyer and complete the plan has been initiated, the sale is considered highly

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probable and is expected within one year from the date of classification.

Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other assets and liabilities in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit and loss.

26 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

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Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

C SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the

estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

- Classification and lease term determination of leasing arrangement – Note 1.B.9
- Derecognition of trade receivables and hedge effectiveness - Note 1.B.20
- Fair value measurement of derivative instruments – Note 1.B.22
- Assessment of useful life of property, plant and equipment and intangible asset – Note 1.B.4
- Recognition and estimation of tax expense including determination of applicable tax rate for measuring deferred tax balances – Note 1.B.15
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 1.B.17
- Assessment of impairment of financial assets and non-financial assets – Note 1.B.20 and Note 1.B.8
- Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 1.B.13

Notes to the standalone financial statements

for the year ended March 31, 2022

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2 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Cost								
Balance at March 31, 2020	317.18	63.48	686.96	5430.23	25.80	58.14	41.09	6622.88
Additions / adjustments	-	8.29	38.66	564.41	2.01	8.08	6.59	628.04
Disposals	-	-	(0.14)	(6.18)	(0.20)	(1.06)	(3.99)	(11.57)
Balance at March 31, 2021	317.18	71.77	725.48	5988.46	27.61	65.16	43.69	7239.35
Additions / adjustments	-	1.08	31.80	536.32	0.99	11.06	10.08	591.33
Disposals	-	-	(5.84)	(59.86)	(0.54)	(3.91)	(4.85)	(75.00)
Balance at March 31, 2022	317.18	72.85	751.44	6464.92	28.06	72.31	48.92	7755.68
Accumulated depreciation								
Balance at March 31, 2020	-	6.31	85.03	1,166.81	9.30	31.04	20.75	1319.24
Depreciation expenses	-	1.54	20.22	320.71	2.07	6.53	7.25	358.32
Disposals	-	-	(0.03)	(2.70)	(0.14)	(0.90)	(2.76)	(6.53)
Balance at March 31, 2021	-	7.85	105.22	1484.82	11.23	36.67	25.24	1671.03
Depreciation expenses	-	1.67	21.38	347.26	1.91	7.86	7.76	387.84
Disposals	-	-	(0.63)	(45.56)	(0.32)	(3.53)	(3.64)	(53.68)
Balance at March 31, 2022	-	9.52	125.97	1786.52	12.82	41.00	29.36	2005.19
Carrying Amount								
Balance at March 31, 2020	317.18	57.17	601.93	4263.42	16.50	27.10	20.34	5303.64
Additions / adjustments	-	8.29	38.66	564.41	2.01	8.08	6.59	628.04
Disposals	-	-	(0.11)	(3.48)	(0.06)	(0.16)	(1.22)	(5.03)
Depreciation expenses	-	(1.54)	(20.22)	(320.71)	(2.07)	(6.53)	(7.25)	(358.32)
Balance at March 31, 2021	317.18	63.92	620.26	4503.64	16.38	28.49	18.46	5568.33
Additions / adjustments	-	1.08	31.80	536.32	0.99	11.06	10.08	591.33
Disposals	-	-	(5.21)	(14.30)	(0.22)	(0.38)	(1.21)	(21.32)
Depreciation expenses	-	(1.67)	(21.38)	(347.26)	(1.91)	(7.86)	(7.76)	(387.84)
Balance at March 31, 2022	317.18	63.33	625.47	4678.40	15.24	31.31	19.57	5750.50

Notes:

- Borrowing cost capitalised during the year ₹ 17.85 Crores (Previous year: ₹ 7.62 Crores) with a capitalisation rate ranging from 0.40% to 3.55% (Previous year: 3.22% to 8.09%).
- The industrial freehold land measuring 32.41 acres at the Company's plant in Gummudipoondi, Tamil Nadu had been acquired by the Company w.e.f. January 01, 2001 pursuant to a scheme of amalgamation sanctioned by the Hon'ble High court of Judicature at Madras and the Hon'ble High court of Delhi. Out of the said land, there is a dispute on a land parcel of 2.74 acres. Based on the legal documentation available, the Company is of the view that the said dispute is not tenable.
- Capital expenditure incurred during the year includes ₹ 8.49 Crores (Previous year: ₹ 13.46 Crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 41 (a) below.
- Refer to note 15.1 for information on PPE pledged as security by the Company. Additionally, non funded working capital facilities from banks amounting to ₹ 37.80 Crores (Previous year: ₹ 58.50 Crores) are secured by hypothecation of Captive Power Plant (CPP) and HFC134A plant situated at Dahej in the state of Gujarat.
- Refer to note 41 (c) for additions / adjustments on account of exchange difference during the year.
- The Company accounts for all capitalisation of property, plant and equipment through capital work in progress and, therefore, the movement in capital work-in-progress is the difference between closing and opening balance of capital work-in-progress as adjusted by additions in property, plant and equipment and intangible assets.
- Disposals during the current year include property, plant and equipment classified as assets held for sale. Refer note 40 below.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

2.1 CAPITAL WORK-IN-PROGRESS (CWIP)

(i) Ageing of capital work-in-progress :

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress					
As at March 31, 2022	1,509.77	99.77	7.50	-	1,617.04
As at March 31, 2021	416.73	18.44	0.96	-	436.13

(ii) CWIP completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan :

	As at March 31, 2022			
	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress				
Chloromethanes plant	333.38	-	-	-
Augmentation of power and steam capacity	138.23	-	-	-
Others *	113.60	0.02	-	-
	585.21	0.02	-	-

	As at March 31, 2021			
	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress				
R22 facility	87.08	-	-	-
Dedicated facility for SS-04	52.05	-	-	-
Others *	107.31	0.06	-	-
	246.44	0.06	-	-

* Comprises projects not considered material at an individual level.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

3 GOODWILL

Cost	
Balance at March 31, 2020	0.62
Additions	-
Disposals	-
Balance at March 31, 2021	0.62
Additions	-
Disposals	-
Balance at March 31, 2022	0.62
Accumulated Impairment losses	
Balance at March 31, 2020	-
Additions	-
Balance at March 31, 2021	-
Additions (Refer to note 40)	0.62
Balance at March 31, 2022	0.62
Carrying Amount	
	As at March 31, 2022
Industrial yarn unit	0.62
	0.62

The Company had allocated goodwill to the above mentioned cash generating unit and determined recoverable amount of this allocated goodwill using cash flow projections based on financial budget as approved by the directors of the Company.

4 OTHER INTANGIBLE ASSETS

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at March 31, 2020	77.53	55.19	30.75	19.39	182.86
Additions / adjustments	-	-	0.64	-	0.64
Disposals	-	-	-	-	-
Balance at March 31, 2021	77.53	55.19	31.39	19.39	183.50
Additions / adjustments	-	-	5.21	-	5.21
Disposals	(4.28)	-	(6.29)	-	(10.57)
Balance at March 31, 2022	73.25	55.19	30.31	19.39	178.14
Accumulated amortisation					
Balance at March 31, 2020	16.76	5.95	25.19	18.50	66.40
Amortisation expenses	2.45	1.70	3.02	0.05	7.22
Disposals	-	-	-	-	-
Balance at March 31, 2021	19.21	7.65	28.21	18.55	73.62
Amortisation expenses	2.45	1.70	2.76	0.05	6.96
Disposals	(4.28)	-	(6.29)	-	(10.57)
Balance at March 31, 2022	17.38	9.35	24.68	18.60	70.01

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Carrying Amount					
Balance at March 31, 2020	60.77	49.24	5.56	0.89	116.46
Additions / adjustments	-	-	0.64	-	0.64
Disposals	-	-	-	-	-
Amortisation expenses	(2.45)	(1.70)	(3.02)	(0.05)	(7.22)
Balance at March 31, 2021	58.32	47.54	3.18	0.84	109.88
Additions / adjustments	-	-	5.21	-	5.21
Disposals	-	-	-	-	-
Amortisation expenses	(2.45)	(1.70)	(2.76)	(0.05)	(6.96)
Balance at March 31, 2022	55.87	45.84	5.63	0.79	108.13

5 INVESTMENTS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Investment in equity instruments		
Subsidiary companies	88.66	83.60
Others	4.16	4.16
	92.82	87.76
Aggregate book value of unquoted investments	92.82	87.76
Aggregate amount of impairment in value of investments	4.34	4.34
Current		
Investment in mutual funds	121.86	197.16
Investment in debentures / bonds	194.88	215.36
	316.74	412.52
Aggregate book value and market value of unquoted investments	121.86	197.16
Aggregate book value and market value of quoted investments	194.88	215.36

5.1 Investment in subsidiaries (at cost)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of SRF Holiday Home Limited (A wholly owned subsidiary)	4,000,000	4.00	4,000,000	4.00
Equity shares of Euro 100 each fully paid up of SRF Global BV (A wholly owned subsidiary)	128,920	79.60	128,920	79.60
Equity shares of ₹ 10 each fully paid up of SRF Altech Limited (A wholly owned subsidiary)	5,000,000	5.00	-	-
Contribution in SRF Employees Welfare Trust (Controlled trust)	-	0.06	-	*
		88.66		83.60

* Amount in absolute: ₹ 60,000

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

5.2 Other equity instruments (at fair value through other comprehensive income)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	4,221,535	4.22	4,221,535	4.22
Less: Impairment in value of investment		(4.22)		(4.22)
Equity shares of ₹ 10 each fully paid up of Vaayu Renewable Energy (Tapti) Private Limited	50,000	0.05	50,000	0.05
Equity shares of ₹ 10 each fully paid up of Suryadev Alloys & Power Private Limited	1,354,000	4.11	1,354,000	4.11
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	670,000	0.12	670,000	0.12
Less: Impairment in value of investment		(0.12)		(0.12)
		4.16		4.16

5.3 Investment in mutual funds (at fair value through profit and loss)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Unquoted investments (Current)				
ICICI Prudential P1543 Saving Fund-Growth Plan	3,612,365	121.86	3,612,365	117.16
Axis Overnight Fund- Regular Growth Plan	-	-	276,009	30.00
SBI Liquid Fund L72SG Regular Growth Plan	-	-	156,109	50.00
		121.86		197.16

5.4 Investment in debentures / bonds (at fair value through profit and loss)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Quoted investments (Current)				
Bonds				
9.56% State Bank of India Perpetual Bonds 2023 of ₹ 10,00,000 each	500	52.33	500	52.25
8.99% Bank of Baroda Perpetual Bonds 2024 of ₹ 10,00,000 each	550	56.92	500	51.02
8.85% HDFC Bank Limited Perpetual Bonds 2022 of ₹ 10,00,000 each	500	50.08	500	51.00
8.50% State Bank of India Perpetual Bonds 2024 of ₹ 10,00,000 each	248	25.40	-	-
8.50% State Bank of India Perpetual Bonds 2025 of ₹ 10,00,000 each	50	5.11	-	-
Debentures				
Non convertible debentures of Shriram Transport Finance Company Limited 2021 of ₹ 10,00,000 each	-	-	250	32.10
7.35% non convertible debentures of NIIF Infrastructure Finance Limited of ₹ 10,00,000 each	-	-	250	25.43
Non convertible debentures of Tata Capital Financial Services Limited of ₹ 10,00,000 each	-	-	30	3.56
9.50% non convertible debentures of Piramal Capital & Housing Finance Limited 2022 of ₹ 8,00,000 each	63	5.04	-	-
		194.88		215.36

Notes to the standalone financial statements

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(All amounts in ₹ Crores, unless otherwise stated)

6 LOANS

(unsecured and considered good, unless otherwise stated)

	As at	
	March 31, 2022	March 31, 2021
Non-current		
Loans to subsidiary (Refer note 41 (d))	395.33	336.14
Loans to employees	14.72	10.56
	410.05	346.70
Current		
Loans to subsidiary (Refer note 41 (d))	170.39	274.31
Loans to employees	8.03	7.17
Others (other than related parties)		
Credit impaired	2.74	2.74
Less : Provision for credit impaired loans	(2.74)	(2.74)
	178.42	281.48

7 OTHER FINANCIAL ASSETS

(unsecured and considered good, unless otherwise stated)

	As at	
	March 31, 2022	March 31, 2021
Non-Current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	60.65	28.84
- Interest rate swaps used for hedging	0.36	-
Other financial assets carried at amortised cost		
- Government grants and claims recoverable	15.86	15.86
- Deposit accounts with maturity beyond twelve months	30.00	-
- Security deposits		
Related parties (Refer note 32)	3.55	3.56
Other than related parties	30.11	32.35
	140.53	80.61
Current		
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	3.64	4.39
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	60.52	45.91
- Interest rate swaps used for hedging	3.16	1.01
Other financial assets carried at amortised cost		
- Insurance claim recoverable	1.06	0.33
- Government grants and claims recoverable	135.07	154.11
- Security deposits		
Other than related parties	1.26	2.19
- Others	21.80	9.70
	226.51	217.64

Notes to the standalone financial statements

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(All amounts in ₹ Crores, unless otherwise stated)

8 OTHER ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Capital advances	188.60	158.56
Prepaid expenses	0.71	0.25
CENVAT/ Service tax/ Goods and Services Tax/ Sales tax recoverable	18.05	14.43
Claims recoverable under Post EPCG scheme and others	0.12	0.12
	207.48	173.36
Current		
Prepaid expenses	14.50	9.13
CENVAT/ Service tax/ Goods and Services tax/ Sales tax recoverable	41.88	67.71
Export incentives recoverable	16.21	32.76
Deposits with customs and excise authorities	15.35	17.41
Advance to suppliers	90.78	87.82
Others	1.24	1.81
	179.96	216.64

9 INVENTORIES

(Valued at lower of cost and net realisable value)

	As at March 31, 2022	As at March 31, 2021
Raw material (including packing material)	855.01	597.10
Stock in progress	189.36	148.97
Finished goods	432.51	284.77
Stores and spares (including fuel)	267.95	254.93
Traded goods	6.05	0.93
	1,750.88	1,286.70
Goods-in-transit included above :		
Raw material (including packing material)	239.65	220.11
Finished goods	119.92	78.82
Stores and spares (including fuel)	2.50	1.06
Traded goods	4.83	0.33
	366.90	300.32

Notes

- The cost of inventories recognised as an expense includes ₹ 3.18 Crores (Previous year: ₹ 10.35 Crores) in respect of write-downs of inventory to net realisable value.
- Refer Note 15.1 for information on inventories pledged as security by the Company.
- The method of valuation of inventories has been stated in note 1.B.12

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

10 TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	1,350.99	1,012.00
Unsecured, credit impaired	2.28	3.96
Less: Provision for credit impaired receivables	(2.28)	(3.96)
	1,350.99	1,012.00

Notes

- The credit period generally allowed on sales varies, on a case to case basis, and from business to business and is based on market conditions. Generally credit period allowed is upto 120 days.
- Ageing of receivables :

Outstanding for following periods from due date of payment	As at March 31, 2022				Total
	Undisputed trade receivables - considered good	Undisputed trade receivables - credit impaired	Disputed trade receivables - considered good	Disputed trade receivables - credit impaired	
Not due	1,173.69	-	-	-	1,173.69
Less than 6 months	177.30	-	-	-	177.30
6 months - 1 year	-	0.01	-	-	0.01
1 - 2 years	-	1.06	-	-	1.06
2 - 3 years	-	-	-	-	-
More than 3 years	-	1.21	-	-	1.21
	1,350.99	2.28	-	-	1,353.27

Outstanding for following periods from due date of payment	As at March 31, 2021				Total
	Undisputed trade receivables - considered good	Undisputed trade receivables - credit impaired	Disputed trade receivables - considered good	Disputed trade receivables - credit impaired	
Not due	887.68	-	-	-	887.68
Less than 6 months	123.04	0.01	-	-	123.05
6 months - 1 year	0.60	0.08	-	-	0.68
1 - 2 years	-	3.30	-	-	3.30
2 - 3 years	-	-	-	-	-
More than 3 years	0.68	0.57	-	-	1.25
	1,012.00	3.96	-	-	1,015.96

- The Company has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the Company in the receivables as identified. Receivables sold as on March 31, 2022 are of ₹ 714.62 Crores (Previous year: ₹ 343.46 Crores). The Company has derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the Company.
- During the previous year the Company had sold, with recourse, trade receivables amounting to ₹ 47.15 Crores to a bank for cash proceeds. These trade receivables were not derecognised because the Company retained substantially all of the risks and rewards, primarily credit risk. The amounts received on such transfer were recognised as a secured bank loan (refer note 15).
- No customer represents more than 10% (Previous year: Nil) of the total balances of trade receivables.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(vi) Refer Note 15.1 for information on trade receivables pledged as security by the Company.

11 CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
Current accounts	97.94	73.15
Exchange earners foreign currency (EEFC) accounts	20.98	12.82
Deposit accounts with maturity of three months or less *	200.00	-
Cash on hand	0.72	0.75
	319.64	86.72

* Refer to note 15.

12 BANK BALANCES OTHER THAN ABOVE

	As at March 31, 2022	As at March 31, 2021
Earmarked balances		
- Margin money	1.95	1.95
- Unclaimed dividend accounts	6.72	6.57
Other deposit accounts		
- Deposit accounts with maturity beyond three months upto twelve months	0.20	135.19
	8.87	143.71

13 SHARE CAPITAL

	As at March 31, 2022	As at March 31, 2021
Authorised share capital:		
320,000,000 (Previous Year - 120,000,000) Equity shares of ₹ 10 each	320.00	120.00
1,000,000 (Previous Year - 1,000,000) Preference shares of ₹ 100 each	10.00	10.00
1,200,000 (Previous Year - 1,200,000) Cumulative Preference shares of ₹ 50 each	6.00	6.00
Nil (Previous Year - 20,000,000) Cumulative Preference shares of ₹ 100 each	-	200.00
	336.00	336.00
Issued share capital:		
300,477,780 (Previous Year - 63,301,960) Equity Shares of ₹ 10 each	300.48	63.30
Subscribed capital:		
296,421,025 (Previous Year - 59,245,205) Equity Shares of ₹ 10 each fully paid up	296.42	59.24
Add: Forfeited shares - Amount originally paid up	1.02	1.02
	297.44	60.26

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

13.1 Fully paid equity shares

	Number of shares	Amount
Balance at March 31, 2020	57,480,500	57.48
Add : Movement during the year *	1,764,705	1.76
Balance at March 31, 2021	59,245,205	59.24
Add : Movement during the year ^ (also refer note 34 on "Employee Share Based Payments")	237,175,820	237.18
Balance at March 31, 2022	296,421,025	296.42

There are no buy back of equity shares during the period of five years immediately preceding the reporting date.

Bonus shares issued during the five years preceding the reporting date

^ During the current year, the Company has issued and allotted 236,980,820 fully paid up Bonus Equity shares of ₹ 10 each in the ratio of 4:1 (i.e. 4 Bonus Equity shares for every 1 existing equity share of the Company) to the shareholders who held shares on October 14, 2021 (Record date).

* During the year ended March 31, 2021, the Company had issued 1,764,705 fully paid up equity shares equivalent to 3.07% of the existing paid up equity capital of the Company to Qualified Institutional Buyers in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. These shares were issued at an issue price of ₹ 4,250 per share (including securities premium of ₹ 4,240 per share) for an aggregate consideration of ₹ 750 Crores. The proceeds (net of share issue expenses of ₹ 11.99 Crores charged off against securities premium) were utilised for repayment of borrowings.

Terms/ rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

During the year ended March 31, 2022, first interim dividend of ₹ 12 per share (before issue of bonus shares) and second interim dividend of ₹ 4.75 per share (post issue of bonus shares) were recognised as distributions to equity shareholders, aggregating ₹ 211.89 Crores (Previous year: ₹ 24 per share before issue of bonus shares, aggregating ₹ 141.31 Crores).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

13.2 Details of equity shares held by the holding company

	Number of fully paid ordinary shares
As at March 31, 2022	
KAMA Holdings Limited, the Holding Company	150,245,000
As at March 31, 2021	
KAMA Holdings Limited, the Holding Company	30,049,000

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

13.3 Details of equity shares held by promoters:

Promoter name	Number of fully paid equity shares	% holding in that class of shares	% change during the year
As at March 31, 2022			
1. Arun Bharat Ram	137,500	0.05%	400.00%*
2. KAMA Holdings Limited	150,245,000	50.69%	400.00%*
As at March 31, 2021			
1. Arun Bharat Ram	27,500	0.05%	-
2. KAMA Holdings Limited	30,049,000	50.72%	-

* Also refer to note 13.1 above.

13.4 Details of equity shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid equity shares				
1. KAMA Holdings Limited	150,245,000	50.69%	30,049,000	50.72%
2. Amansa Holding Private Limited	11,361,408	3.83%	3,373,411	5.69%

14 OTHER EQUITY

	As at March 31, 2022	As at March 31, 2021
General reserve	648.54	648.54
Retained earnings	5,841.95	4,551.58
Cash flow hedging reserve	34.49	7.53
Capital redemption reserve	10.48	10.48
Capital reserve	219.19	219.19
Debenture redemption reserve	62.50	62.50
Employee share based payment reserve	3.22	2.54
Reserve for equity instruments through other comprehensive income	(4.22)	(4.22)
Securities premium	509.56	736.25
Cost of hedging reserve	1.65	0.62
	7,327.36	6,235.01

14.1 General reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	648.54	573.54
Increase / (decrease) during the year	-	75.00
Balance at end of year	648.54	648.54

The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. Items included in general reserve will not be reclassified subsequently to profit and loss.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

14.2 Retained earnings

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	4,551.58	3,828.76
Profit for the year	1,507.01	925.06
Other comprehensive income arising from remeasurement of defined benefit obligation * (Refer note 33.2 (iv))	(4.75)	1.57
Payment of dividend on equity shares	(211.89)	(141.31)
Transfer to debenture redemption reserve	-	(62.50)
Balance at end of year	5,841.95	4,551.58

The amount that can be distributed as dividend by the Company to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013.

* net of income tax of ₹ 2.55 Crores (Previous year: ₹ (0.84) Crore)

14.3 Cash flow hedging reserve

(Refer note 38.3.1 (C))

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	7.53	(78.56)
Recognised / (released) during the year	39.99	132.33
Income tax related to above	(13.03)	(46.24)
Balance at end of year	34.49	7.53

The Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

14.4 Capital redemption reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	10.48	10.48
Increase / (decrease) during the year	-	-
Balance at end of year	10.48	10.48

Capital Redemption Reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. The reserve is utilised in accordance with the provisions of the Act.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

14.5 Capital reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	219.19	219.19
Increase / (decrease) during the year	-	-
Balance at end of year	219.19	219.19

Capital reserve represents amounts received pursuant to Montreal Protocol Phaseout Programme of refrigerant gases.

14.6 Debenture redemption reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	62.50	75.00
Transfer from retained earnings	-	62.50
Transfer to general reserve	-	(75.00)
Balance at end of year	62.50	62.50

The Company has issued non-convertible debentures. The Company has created debenture redemption reserve out of the profits available for payment of dividend.

14.7 Employee share based payment reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	2.54	1.56
Increase / (decrease) during the year	10.91	0.98
Released on vesting of shares issued under employee share purchase scheme	(10.23)	-
Balance at end of year	3.22	2.54

The Company has allotted equity shares to certain employees under an employee share purchase scheme. The employee share based payment reserve is used to recognise the value of equity settled share based payments provided to such employees as part of their remuneration. Refer note 34 for further details of the scheme.

14.8 Reserve for equity instruments through other comprehensive income

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	(4.22)	(4.22)
Net fair value gain on investment in equity instruments at FVTOCI	-	-
Balance at end of year	(4.22)	(4.22)

This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

14.9 Securities premium

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	736.25	-
Recognised on issue of equity shares	-	736.25
Utilisation on issue of bonus equity shares	(236.98)	-
Recognised on vesting of shares issued under employee share purchase scheme	10.29	-
Balance at end of year	509.56	736.25

Securities premium represents the amount received in excess of the face value upon issue of equity shares. The same may be, inter-alia, utilised for issue of fully paid bonus shares or for buy-back of equity shares by the Company, in accordance with the provisions of the Act. During the previous year, expenses amounting to ₹ 11.99 Crores incurred on issue of equity shares under Qualified Institutional Placement have been charged off against securities premium (Refer note 13.1).

14.10 Cost of hedging reserve

(Refer note 38.3.1 (C))

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	0.62	-
Recognised / (released) during the year	1.48	0.95
Income tax related to above	(0.45)	(0.33)
Balance at end of year	1.65	0.62

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in other comprehensive income and accounted for similarly to gains or losses in the cash flow hedging reserve.

15 BORROWINGS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Secured		
2,500 Nos. (Previous year: 2,500 Nos.), Three Months T Bill plus 188 bps, listed, secured, redeemable, non-convertible debentures of ₹ 10 lakhs each* (Refer note 15.1.1)	250.00	250.00
Term Loans from banks* ^ (Refer note 15.1.2)	1,461.15	1,387.81
Term Loans from others* (Refer note 15.1.3)	141.07	175.01
Less: Current maturities of long-term borrowings*	(662.49)	(390.58)
	1,189.73	1,422.24

* Above amount of borrowings are net of upfront fees paid ₹ 2.39 Crores (Previous year: ₹ 2.84 Crores).

^ Out of a term loan of ₹ 227.91 Crores obtained towards the end of the current year, unutilised balance of ₹ 200 Crores as on March 31, 2022 has been temporarily invested in fixed deposit with a bank. There was no such loan / amount in previous year.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Current		
Secured		
Loans repayable on demand from banks (Refer note 15.1.4.(i))	158.30	233.38
Bills discounted with banks (Refer note 15.1.4.(ii))	-	47.15
Current maturities of long-term borrowings	662.49	390.58
	820.79	671.11
Unsecured		
Loans repayable on demand from banks	464.38	381.73
Commercial papers from banks and others #	300.00	100.00
	764.38	481.73
	1,585.17	1,152.84

Maximum amount due during the year is ₹ 500.00 Crores (Previous year: ₹ 600.00 Crores)

The quarterly returns or statements of current assets filed by the Company with the banks are in agreement with the books of account of the Company.

There have been no defaults in repayment of principal and interest on borrowings during the reporting periods.

15.1 Details of security of the secured loans:

Details of Loan	As at March 31, 2022*	As at March 31, 2021#	Security
1 2,500 (Previous Year : 2,500), Three Months T-Bill plus 188 bps, Listed, Secured, Redeemable, Non-Convertible Debentures of the face value of ₹ 10 lakhs each *	250.00	250.00	Debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur in the State of Uttarakhand (other than moveable assets of Laminated Fabrics Business) and Dahej in the State of Gujarat (excluding certain assets).
Terms and conditions a) Redeemable at face value in one single installment at the end of 2nd year from the date of allotment. b) Coupon is payable on a quarterly basis every year.			
2 (i) Term loan from Banks *	1,463.21	1,390.07	Moveable property (a)(i) Out of the loans as at 2(i), loans aggregating to ₹ 1,008.83 Crores (Previous Year – ₹ 1,099.30 Crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets).

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Details of Loan	As at March 31, 2022*	As at March 31, 2021#	Security
			(a)(ii) Out of the loans as at 2(i), loans aggregating to ₹ 454.38 Crores (Previous Year – ₹ 290.77 Crores) are in the process of being secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets).
			Immoveable property (b)(i) Out of the loans as at 2(i) loans aggregating to ₹ 516.71 Crores (Previous Year – ₹ 849.30 Crores) are secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand. (b)(ii) Out of the loans as at 2(b)(i) loans aggregating to ₹ 289.09 Crores (Previous Year – ₹ 400.99 Crores) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan. (b)(iii) Out of the loans as at 2(i), the term loans aggregating to ₹ Nil (Previous Year – ₹ 38.50 Crores) are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
3 Term loans from others	141.40	175.59	Secured by the hypothecation and equitable mortgage of Company's moveable and immoveable properties at Dhar in the State of Madhya Pradesh.
4 (i) Loans repayable on demand from banks	158.30	233.38	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai (other than current assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh and Kashipur (other than current assets of Laminated Fabrics Business) in the State of Uttarakhand.
(ii) Bills discounted with banks	-	47.15	Secured against certain trade receivables of the Company. (Also refer note 10(iv))

* Such hypothecation in respect of Non convertible debentures mentioned in point no. 1 and hypothecation and equitable mortgage mentioned in point no. 2 rank pari-passu inter se between term loans from banks / Non convertible debentures (both current year and previous year).

Gross of upfront fees paid ₹ 2.39 Crores (Previous year : ₹ 2.84 Crores)

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(All amounts in ₹ Crores, unless otherwise stated)

15.2 Terms of loans

As at March 31, 2022

NON CURRENT BORROWINGS

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2023	Up to March 31, 2024	Up to March 31, 2025	From 2025 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	Floating rate at 5.63%	250.00	-	-	-
Term loan from banks	Quarterly payments	Ranging from 0.94% to 5.85%	334.19	270.02	205.28	122.54
	Half yearly payments	Fixed rate of 1.23%	24.08	24.08	240.82	-
	Bullet	Ranging from 1.18% to 6.65%	15.00	-	227.19	-
Term loan from others	Half yearly payments	Floating rate at 1.46%	40.38	40.38	40.38	20.27
			663.65	334.48	713.67	142.81

Amounts mentioned above are gross of upfront fees paid of ₹ 2.39 Crores.

CURRENT BORROWINGS

Short term borrowings are either payable in installments within one year or repayable on demand. For short term borrowings, interest rate ranges from 0.26% to 4.05%.

As at March 31, 2021

NON CURRENT BORROWINGS

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2022	Up to March 31, 2023	Up to March 31, 2024	From 2024 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	Floating rate at 5.23%	-	250.00	-	-
Term loan from banks	Quarterly payments	Ranging from 0.71% to 6.25%	331.38	321.67	217.49	169.26
	Half yearly payments	Ranging from 1.23% to 7.85%	17.63	55.76	23.26	232.62
	Yearly payments	Floating rate at 7.25%	4.00	1.00	1.00	-
	Bullet	Fixed rate of 6.65%	-	15.00	-	-
Term loan from others	Half yearly payments	Floating rate at 2.01%	39.00	39.00	39.00	58.58
			392.01	682.43	280.75	460.46

Amounts mentioned above are gross of upfront fees paid of ₹ 2.84 Crores.

CURRENT BORROWINGS

Short term borrowings are either payable in installments within one year or repayable on demand. For short term borrowings, interest rate ranges from 0.32% to 4.73%.

Notes to the standalone financial statements

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(All amounts in ₹ Crores, unless otherwise stated)

Terms of repayment

- 1) Redeemable non convertible debenture of ₹ 250 Crores is repayable in one bullet instalment in September 2022 (Previous year: ₹ 250 Crores repayable in one bullet instalment in September 2022).
- 2) Rupee term loan from bank of ₹ 38.50 Crores was prepaid in current year in October 2021 (Previous year: ₹ 38.50 Crores repayable in 3 half yearly instalments from August 2021).
- 3) Rupee term loan from bank of ₹ 8.22 Crores is repayable in 2 quarterly instalments from June 2022 (Previous year: ₹ 24.66 Crores repayable in 6 quarterly instalments from June 2021).
- 4) Rupee term loan from bank of ₹ 6.00 Crores was prepaid in current year in October 2021 (Previous year: ₹ 6.00 Crores repayable in 3 annual instalments from December 2021).
- 5) Rupee term loan from bank of ₹ 203.13 Crores is repayable in 13 quarterly instalments from April 2022 (Previous year: ₹ 250.00 Crores repayable in 16 quarterly instalments from July 2021).
- 6) Foreign currency term loan from bank of ₹ 23.67 Crores is repayable in 1 quarterly instalment in June 2022 (Previous year: ₹ 114.30 Crores repayable in 5 quarterly instalments from June 2021).
- 7) Foreign currency term loan from bank of ₹ 265.87 Crores is repayable in 12 quarterly instalments from May 2022 (Previous year: ₹ 361.33 Crores repayable in 16 quarterly instalments from May 2021).
- 8) Foreign currency term loan from bank of ₹ 94.66 Crores is repayable in 7 quarterly instalments from April 2022 (Previous year: ₹ 143.69 Crores repayable in 11 quarterly instalments from April 2021).
- 9) Foreign currency term loan from others of ₹ 141.40 Crores is repayable in 7 half yearly instalments from April 2022 (Previous year: ₹ 175.59 Crores repayable in 9 half yearly instalments from April 2021).
- 10) Foreign currency term loan from bank of ₹ 15.00 Crores is repayable in one bullet instalment in June 2022 (Previous year: ₹ 15.00 Crores is repayable in one bullet instalment in June 2022).
- 11) Foreign currency term loan from bank of ₹ 109.29 Crores is repayable in 5 quarterly instalments from April 2022 (Previous year: ₹ 145.82 Crores repayable in 12 quarterly instalments from April 2021).
- 12) Foreign currency term loan from bank of ₹ 288.99 Crores is repayable in 4 half yearly instalments from September 2022 and then 12 monthly instalments from April 2024 onwards (Previous year: ₹ 290.77 Crores repayable in 5 half yearly instalments from March 2022 and then 12 monthly instalments from April 2024 onwards).
- 13) Foreign currency term loan from bank of ₹ 227.19 Crores is repayable in one bullet instalment in March 2025 (Previous year: Nil).
- 14) Foreign currency term loan from bank of ₹ 227.19 Crores is repayable in 17 quarterly instalments from March 2023 (Previous year: Nil).

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

16 PROVISIONS

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Provision for employee benefits		
Provision for compensated absences (Refer note 33.3)	44.69	38.06
Provision for retention pay (Refer note 33.3)	0.17	0.17
	44.86	38.23
Current		
Provision for employee benefits		
Provision for compensated absences (Refer note 33.3)	5.42	7.00
	5.42	7.00

17 DEFERRED TAX (NET)

The following is the analysis of deferred tax assets / (liabilities) presented in balance sheet

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	79.54	293.83
Deferred tax liabilities	(692.58)	(620.29)
Deferred tax liabilities, net	(613.04)	(326.46)

The major components of deferred tax assets / (liabilities) arising on account of temporary differences are as follows:

2021-22	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	MAT Credit Entitlement utilised	Closing balance
Deferred tax assets					
Expenses deductible in future years	15.08	2.08	-	-	17.16
Provision for credit impaired loans / receivables	0.99	(0.42)	-	-	0.57
MAT Credit Entitlement	274.66	25.27	-	(241.48)	58.45
Others	3.10	0.26	-	-	3.36
	293.83	27.19	-	(241.48)	79.54
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(603.82)	(58.07)	-	-	(661.89)
Investment in mutual funds	(10.85)	(1.09)	-	-	(11.94)
Cash flow hedges	(4.27)	-	(13.48)	-	(17.75)
Others	(1.35)	0.35	-	-	(1.00)
	(620.29)	(58.81)	(13.48)	-	(692.58)
Total	(326.46)	(31.62)	(13.48)	(241.48)	(613.04)

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

2020-21	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	MAT Credit Entitlement utilised	Closing balance
Deferred tax assets					
Expenses deductible in future years	13.77	1.31	-	-	15.08
Provision for credit impaired loans / receivables	0.61	0.38	-	-	0.99
MAT Credit Entitlement	367.07	5.38	-	(97.79)	274.66
Cash flow hedges	42.30	-	(42.30)	-	-
Others	4.65	(1.55)	-	-	3.10
	428.40	5.52	(42.30)	(97.79)	293.83
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(538.64)	(65.18)	-	-	(603.82)
Investment in mutual funds	(7.95)	(2.90)	-	-	(10.85)
Cash flow hedges	-	-	(4.27)	-	(4.27)
Others	(6.23)	4.88	-	-	(1.35)
	(552.82)	(63.20)	(4.27)	-	(620.29)
Total	(124.42)	(57.68)	(46.57)	(97.79)	(326.46)

Note:

(i) MAT credit entitlement of ₹ 74.02 Crores (Previous year: ₹ 74.02 Crores) expiring in the financial year ending March 31, 2035 is not recognised, due to expected timing of exercise of the option under section 115BAA of Income Tax Act, 1961.

18 TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises#		
- Acceptances*	3.61	-
- Other than acceptances	52.37	33.37
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances*	192.59	107.61
- Other than acceptances	1,091.80	1,055.51
	1,340.37	1,196.49

Refer to note 18.1

* Acceptances represent invoices discounted by vendors with banks.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(i) Ageing of trade payables :

Outstanding for following periods from due date of payment	As at March 31, 2022				
	Dues of micro enterprises and small enterprises	Dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises	Total
Unbilled dues	-	153.48	-	-	153.48
Not due	55.98	1,035.16	-	-	1,091.14
Less than 1 year	-	92.55	-	-	92.55
1 - 2 years	-	3.07	-	-	3.07
2 - 3 years	-	-	-	-	-
More than 3 years	-	0.13	-	-	0.13
	55.98	1,284.39	-	-	1,340.37

Outstanding for following periods from due date of payment	As at March 31, 2021				
	Dues of micro enterprises and small enterprises	Dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises	Total
Unbilled dues	-	119.16	-	-	119.16
Not due	33.37	974.85	-	-	1,008.22
Less than 1 year	-	64.93	-	-	64.93
1 - 2 years	-	2.28	-	-	2.28
2 - 3 years	-	-	-	-	-
More than 3 years	-	1.90	-	-	1.90
	33.37	1,163.12	-	-	1,196.49

18.1 Total outstanding dues of micro enterprises and small enterprises

Trade payables include the following dues to micro and small enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) to the extent such parties have been identified from the available information.

	As at March 31, 2022	As at March 31, 2021
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount**	108.82	52.02
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED/ settled	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues are actually paid, for the purpose of disallowance of a deductible expenditure	-	-

** including payable to micro enterprises and small enterprises included in other financial liabilities (refer note 19).

19 OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Derivatives carried at fair value through other comprehensive income		
Interest rate swaps used for hedging	-	0.54
Payables to capital creditors		
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances*	153.53	-
	153.53	0.54

* Acceptances represent amount payable under letter of credit arrangements with the vendor / banks.

	As at March 31, 2022	As at March 31, 2021
Current		
Interest accrued but not due on borrowings	3.70	4.47
Unpaid dividends^	6.72	6.57
Security deposits received	8.15	8.62
Payables to capital creditors		
Total outstanding dues of micro enterprises and small enterprises#		
- Acceptances*	10.56	-
- Other than acceptances	42.28	18.65
Total outstanding dues of creditors other than micro enterprises and small enterprises	60.36	27.65
Others	16.38	43.12
	148.15	109.08

* Acceptances represent invoices discounted by vendors with banks.

^ Amount will be credited to investor education and protection fund if not claimed within seven years from the date of declaration of dividend.

Refer to note 18.1

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

20 TAX ASSETS AND LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Non - Current tax assets		
Advance tax (net of provision for tax)	21.31	33.74
Current tax liabilities		
Provision for tax (net of advance tax)	9.75	9.73

21 OTHER LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Current		
Contract liability (Refer note 39)	23.85	13.53
Statutory liabilities	30.78	26.00
Payable to gratuity trust (Refer note 33.2)	11.57	4.52
Other payables	41.36	31.74
	107.56	75.79

22 REVENUE FROM OPERATIONS

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products		
Manufactured goods	9,696.55	6,817.90
Traded goods	140.00	69.59
	9,836.55	6,887.49
Other operating revenues		
Claims	-	0.52
Export and other incentives	48.42	69.23
Scrap sales	45.92	28.36
Other operating income	22.55	2.72
	116.89	100.83
	9,953.44	6,988.32

Reconciliation of revenue from sale of products with the contracted price

	Year ended March 31, 2022	Year ended March 31, 2021
Contracted price	9,920.88	7,017.01
Less: Discounts, allowances and claims	(84.33)	(129.52)
Sale of products	9,836.55	6,887.49

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

23 OTHER INCOME

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income		
- from customers	0.01	0.01
- on loans, deposits and investments	28.85	1.58
- on others	3.33	7.65
Net gain on sale/ discarding of property, plant and equipment	3.09	0.39
Net gain on financial assets measured at fair value through profit and loss	7.06	25.45
Net foreign currency exchange fluctuation gains	71.40	-
Provision/ liabilities no longer required written back	2.59	11.42
Other non-operating income	18.98	16.80
	135.31	63.30

24.1 COST OF MATERIALS CONSUMED

	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock of raw materials	597.10	465.59
Add: Purchases of raw materials	5,006.17	3,410.01
Less: Closing stock of raw materials	855.01	597.10
Cost of materials consumed*	4,748.26	3,278.50

* including packing material

24.2 PURCHASES OF STOCK IN TRADE

	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of stock in trade	137.27	60.49
	137.27	60.49

24.3 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the end of the year :		
Stock-in-Process	189.36	148.97
Finished goods	432.51	284.77
Traded goods	6.05	0.93
	627.92	434.67
Inventories at the beginning of the year :		
Stock-in-Process	148.97	152.85
Finished goods	284.77	251.88
Traded goods	0.93	1.73
	434.67	406.46
Net (increase) / decrease	(193.25)	(28.21)

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

25 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages, including bonus	521.20	444.80
Contribution to provident and other funds	35.98	33.74
Workmen and staff welfare expenses	72.69	54.61
Employee share based payment expense (Refer note 34)	28.61	0.98
	658.48	534.13

26 FINANCE COST

	Year ended March 31, 2022	Year ended March 31, 2021
Interest cost ^		
- Non-convertible debentures	13.23	12.27
- Term loans and others	48.07	82.52
- Lease liabilities	8.69	6.49
Other borrowing costs	10.05	9.15
Exchange differences regarded as an adjustment to borrowing costs	14.41	0.78
	94.45	111.21

^ pertains to liabilities measured at amortised cost.

27 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment	387.84	358.32
Depreciation of right-of-use assets	24.43	18.06
Amortisation of intangible assets	6.96	7.22
	419.23	383.60

28 OTHER EXPENSE

	Year ended March 31, 2022	Year ended March 31, 2021
Stores and spares consumed	63.01	51.79
Power and fuel	984.23	632.06
Labour production	46.08	36.93
Rent*	27.54	15.62
Repairs and maintenance		
- Buildings	7.68	5.15
- Plant and machinery	185.34	152.85
- Others	34.33	30.33

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Insurance	38.37	33.26
Rates and taxes	11.92	8.37
Freight charges	420.82	238.39
Expenditure on corporate social responsibility**	19.06	12.88
Legal and professional charges	35.35	27.39
Travelling and conveyance	7.68	3.89
Directors' sitting fees	0.29	0.27
Selling commission	13.11	18.29
Credit impaired assets provided/ written off	0.76	12.06
Property, plant and equipment provided/ written off ^	11.48	1.37
Auditor remuneration ^^		
- Audit fees	0.65	0.65
- For limited review of unaudited financial results	0.54	0.54
- For Corporate governance, consolidated financial statements and other certificates	0.07	0.07
- For tax audit	0.08	0.08
- Reimbursement of out of pocket expenses	0.10	0.07
Effluent disposal expenses	120.54	76.18
Net foreign currency exchange fluctuation loss	-	7.21
Miscellaneous expenses	40.24	36.23
	2,069.27	1,401.93

* Refer to note 37

** Refer to note 41(f)

^ Including amount of ₹ 5.75 Crores (Previous year: Nil) recognised on fair valuation of assets classified as held for sale. Also refer to note 40

^^ Excluding fees of ₹ 0.43 Crore in previous year for QIP related attestation and certification, netted off from securities premium.

29 INCOME TAX RECOGNISED IN PROFIT AND LOSS

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
In relation to current year	616.41	327.21
Adjustment in relation to earlier years	-	0.02
	616.41	327.23
Deferred tax		
- MAT credit entitlement		
In relation to current year	-	-
Adjustment in relation to earlier years	(25.27)	(5.38)
	(25.27)	(5.38)

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
- Others		
In relation to current year	48.93	58.71
Adjustment in relation to earlier years	7.96	4.35
	56.89	63.06
Total tax expense	648.03	384.91

The income tax expenses for the year can be reconciled to the accounting profits as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	2,155.04	1,309.97
Income Tax Expenses @ 34.944% (Previous year: 34.944%)	753.06	457.76
Effect of deductions (research and development, share issue expenses and deductions under chapter VI A of Income Tax Act)	(79.28)	(54.59)
Effect of expenses that are not deductible in determining taxable profit	13.15	5.48
Effect of re-measurement of deferred tax balances / lower tax rate on certain temporary differences pursuant to Section 115BAA of Income Tax Act	(21.59)	(22.73)
Income tax expenses recognised in statement of profit and loss in relation to current year	665.34	385.92
Income tax credit recognised in statement of profit and loss in relation to earlier years (Refer note (ii) below)	(17.31)	(1.01)
Total Income tax expenses recognised in profit and loss	648.03	384.91

Notes:

- The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (Previous year: 34.944%) payable by corporate entities in India on taxable profits under the Indian tax law.
- Income tax in relation to earlier years includes tax credit of ₹ 15.42 Crores (Previous year: tax expense of ₹ 1.62 Crores) which is related to finalization and determination of deduction / allowance claimed for earlier years under Chapter-VIA of the Income-tax Act, 1961, for generation of power from captive power plants which is based on finalization of transfer pricing study / tax audit reports of the previous year.

30 INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Year ended March 31, 2022	Year ended March 31, 2021
Arising on income and expense recognised in other comprehensive income		
Net (gain)/ loss on designated portion of hedging instruments in cash flow hedges	(13.03)	(46.24)
Cost of Hedging Reserve	(0.45)	(0.33)
Remeasurement of defined benefit obligation	2.55	(0.84)
	(10.93)	(47.41)

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	(13.48)	(46.57)
Items that will not be reclassified to profit or loss	2.55	(0.84)
	(10.93)	(47.41)

31 CONTINGENT LIABILITIES AND COMMITMENTS

	As at March 31, 2022	As at March 31, 2021
a. Claims against the Company not acknowledged as debts		
Goods and services tax, excise duty, custom duty and service tax*	8.39	23.11
Sales tax and entry tax **	19.17	20.38
Income tax (also refer note b(ii) and b(iii) below) ***	22.26	3.74
Others ****	10.40	13.19

* Amount deposited against contingent liability ₹ 1.23 Crores (Previous year: ₹ 1.79 Crores)

** Amount deposited against contingent liability ₹ 6.74 Crores (Previous year: ₹ 7.59 Crores)

*** Amount deposited against contingent liability ₹ 2.98 Crores (Previous year: ₹ 3.09 Crores)

**** Amount deposited against contingent liability ₹ 0.42 Crore (Previous year: ₹ 0.40 Crore)

***** Includes demand by Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. (MPPKVV Ltd) of ₹ 8.12 Crores (Previous year: ₹ 11.40 Crores).

All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on the results of the operations or financial position of the Company.

- The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax / goods and service tax amounting to ₹ 18.86 Crores (Previous year: ₹ 18.58 Crores) should not be levied. The Company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.
 - The Company has received a notice for assessment year 2018-19 on April 13, 2022 on account of non deduction of TDS on foreign payments involving an amount of ₹ 14.34 Crores. Based on the facts of the case and the Company's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.
 - Besides the above, the Company has received final assessment orders for assessment years 2017-18 and 2018-19 on April 30, 2022 in which adjustments amounting to ₹ 277.31 Crores and ₹ 323.09 Crores respectively were made on account of transfer pricing adjustments, research and development expenditure and others etc. (in line with earlier years) and a demand of ₹ 1.20 Crores and ₹ 96.71 Crores respectively has been raised. The Company plans to file rectification application towards certain computation errors and for rest of the issues, appeal will be filed

Notes to the standalone financial statements

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before Income Tax Appellate Tribunal. Based on the facts of the case and the management's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

- c. Guarantees given to banks and others for repayment of financial facilities availed by wholly owned subsidiaries are as below:

Name of the subsidiary	Currency	Guarantee amount as at				Loan / payable outstanding against the guarantee as at			
		March 31, 2022		March 31, 2021		March 31, 2022		March 31, 2021	
		In Millions	In ₹ Crores [^]	In Millions	In ₹ Crores ^{^^}	In Millions	In ₹ Crores [^]	In Millions	In ₹ Crores ^{^^}
SRF Flexipak South Africa (Pty Limited)	USD	-	-	46.00	336.49	-	-	3.00	21.95
	USD	8.00	60.58	-	-	-	-	-	-
SRF Global BV	EUR	-	-	22.00	188.72	-	-	-	-
	USD	44.00	333.21	44.00	321.86	11.13	84.29	10.00	73.16
SRF Industries (Thailand) Limited	EUR	18.00	151.33	18.00	154.40	18.00	151.33	18.00	154.40
	EUR	12.76	107.27	12.76	109.46	5.84	49.10	8.56	73.44
	USD	17.20	130.26	-	-	15.12	114.50	-	-
SRF Europe Kft (Hungry)	EUR	22.00	184.95	22.00	188.72	-	-	-	-
	EUR	77.00	647.34	77.00	660.51	64.13	539.14	57.50	493.24

[^] Converted using closing exchange rate - USD 75.73 and Euro 84.07

^{^^} Converted using closing exchange rate - USD 73.15 and Euro 85.78

- d. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made.

- e. Capital and other commitments

	As at March 31, 2022	As at March 31, 2021
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	913.41	690.96
(ii) The Company has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The Company does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses which have not been provided for.		
(iii) Export obligation under advance license scheme on duty free import of specific raw materials, remaining outstanding is ₹ 721.78 Crores (Previous year: ₹ 619.36 Crores).		

Notes to the standalone financial statements

for the year ended March 31, 2022

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32 RELATED PARTY TRANSACTIONS

32.1 Description of related parties under Ind AS - 24 "Related party disclosures"

Ultimate Holding Entity

ABR Family Trust

Holding Company

KAMA Holdings Limited

Subsidiaries

SRF Holiday Home Limited

SRF Global BV

SRF Industries (Thailand) Limited

SRF Industex Belting (Pty) Limited

SRF Flexipak (South Africa) (Pty) Limited

SRF Europe Kft

SRF Employees Welfare Trust (Controlled trust)

SRF Altech Limited *

Fellow subsidiaries

KAMA Realty (Delhi) Limited

Shri Educare Limited

SRF Transnational Holding Limited

Post Employment Benefit Plans Trust

SRF Limited Officers Provident Fund Trust

SRF Employees Gratuity Trust

SRF Officers Gratuity Trust

KMP of Holding Company

Ekta Maheshwari

Jagdeep Singh Rikhy **

[^] upto March 31, 2022

^{^^} upto August 31, 2021

* from March 15, 2022

** from December 03, 2021

Only with whom the Company had transactions during the year

Key management personnel (KMP)

Arun Bharat Ram [^]

Ashish Bharat Ram

Kartik Bharat Ram

Tejpreet S Chopra

Lakshman Lakshminarayan

Vellayan Subbiah

Meenakshi Gopinath ^{^^}

Pramod Gopaldas Gujarathi

Bharti Gupta Ramola

Yash Gupta

Puneet Yadu Dalmia

Enterprises over which KMP have significant influence

SRF Foundation

SRF Welfare Trust

BLP Industry AI Private Limited

Relative of KMP

Sushil Ramola

Murugappan Vellayan Subbiah

Relative of KMP of Holding Company

Nirmala Kothari

Enterprises over which relative of KMP has control

Murugappa & Sons

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

32.2 Transactions with related parties

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of goods to:		
Subsidiaries	75.33	28.27
Enterprises over which KMP have significant influence	0.04	-
	75.37	28.27
Purchase of goods from:		
Subsidiaries	44.18	17.50
	44.18	17.50
Purchase of property, plant & equipment and intangible assets from:		
Subsidiaries	-	15.37
	-	15.37
Sale of property, plant & equipment and intangible assets to:		
Subsidiaries	-	1.94
Fellow Subsidiaries	0.19	-
	0.19	1.94
Services rendered to:		
Subsidiaries	13.97	8.78
	13.97	8.78
Receiving of Services from:		
Enterprises over which KMP have significant influence	0.19	0.07
	0.19	0.07
Rent paid to:		
Fellow Subsidiaries	6.60	6.60
Subsidiaries	0.06	0.06
Key management personnel	0.26	0.27
Enterprises over which KMP have significant influence	0.27	0.27
	7.19	7.20
Reimbursement of expenses from:		
Holding Company	0.01	0.01
Subsidiaries	1.25	1.50
Fellow Subsidiaries	0.04	0.05
	1.30	1.56
Loan given to:		
Subsidiaries	230.20	617.48
	230.20	617.48
Loan received back from:		
Subsidiaries	277.41	-
	277.41	-
Interest received from:		
Subsidiaries	8.37	0.39
	8.37	0.39

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Deposits received back from:		
Key management personnel	0.01	-
	0.01	-
Contribution for expenditure on corporate social responsibility:		
Enterprises over which KMP have significant influence	21.38	9.18
	21.38	9.18
Investments made in:		
Subsidiaries	5.06	*
	5.06	-
Contribution to post employment benefit plans:		
Post Employment Benefit Plans Trust	30.20	35.41
	30.20	35.41
Employee benefit obligations transferred to:		
Holding Company	-	0.02
Fellow Subsidiaries	0.20	-
Enterprises over which KMP have significant influence	-	^
	0.20	0.02
Equity dividend paid:		
Holding Company	107.43	72.12
Key management personnel	0.15	0.12
Relative of KMP	0.11	0.07
KMP of Holding Company	*	*
Relative of KMP of Holding Company	^	^
Enterprises over which relative of KMP has control	#	#
	107.69	72.31

* Amount in absolute in previous year ₹ 25,000

^ Amount in absolute in previous year ₹ 25,962

* Amount in absolute ₹ 1,095 (Previous year: ₹ 168)

^ Amount in absolute ₹ 358 (Previous year: ₹ 240)

Amount in absolute ₹ 36,966 (Previous year: ₹ 24,618)

Bonus shares issued:

Holding Company (No. of shares: 120,196,000 ; Previous year: Nil)	-	-
Key management personnel (No. of shares: 178,968 ; Previous year: Nil)	-	-
Relatives of KMP (No. of shares :110,388 ; Previous year: Nil)	-	-
KMP of Holding Company (No. of shares: 76 ; Previous year: Nil)	-	-
Relatives of KMP of Holding Company (No. of shares: 40; Previous year: Nil)	-	-

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Enterprises over which relative of KMP has control (No. of shares: 4,136 ; Previous year: Nil)	-	-
Guarantees issued / renewed:		
Subsidiaries*	190.84	109.46
	190.84	109.46
Guarantees run-down / released:		
Subsidiaries*	533.31	879.12
	533.31	879.12

* Converted using closing exchange rate - March 31, 2022 : USD 75.73 and EUR 84.07 (Previous year: USD 73.15, EUR 85.78 and THB 2.34).

32.3 Outstanding Balances:

	As at March 31, 2022	As at March 31, 2021
Receivables		
Subsidiaries	8.82	11.47
Post Employment Benefit Plans Trust	11.48	1.49
	20.30	12.96
Payables		
Subsidiaries	5.15	9.03
Post Employment Benefit Plans Trust	13.30	6.02
	18.45	15.05
Interest receivable		
Subsidiaries	2.05	0.39
	2.05	0.39
Commission payable		
Key management personnel	18.90	12.84
	18.90	12.84
Security deposits outstanding		
Subsidiaries	0.02	0.02
Fellow Subsidiaries	3.27	3.27
Key management personnel	0.12	0.13
Enterprises over which KMP have significant influence	0.14	0.14
	3.55	3.56
Equity Investment outstanding		
Subsidiaries	88.66	83.60
	88.66	83.60

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Loans outstanding		
Subsidiary	565.72	610.45
	565.72	610.45
Guarantees outstanding		
Subsidiaries**	1,614.94	1,960.15
	1,614.94	1,960.15

** Converted using closing exchange rate - March 31, 2022 : USD 75.73 and EUR 84.07 (Previous year: USD 73.15 and EUR 85.78).

32.4 Key management personnel compensation

	Year ended March 31, 2022	Year ended March 31, 2021
Short-term benefits*	34.88	26.21
Post-employment benefits	2.15	1.44
Other long-term benefits	1.19	0.97
	38.22	28.62

*Includes sitting fees and commission paid/ payable to non executive directors

33 EMPLOYEE BENEFITS

33.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Superannuation fund (Refer to note (i) below)	0.59	0.61
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	15.11	14.02
Employees' State Insurance Corporation	0.40	0.43
National Pension Scheme	1.71	1.34
	17.81	16.40

The expenses incurred on account of the above defined contribution plans have been included in Note 25 "Employee Benefits Expenses" under the head "Contribution to provident and other funds".

(i) Superannuation fund

The Company makes contributions to a Trust which in turn contributes to ICICI Prudential Life Insurance Company Limited. Apart from being covered under the Gratuity Plan described below, the employees of the Company also participate in a defined contribution superannuation plan maintained by the Company. The Company has no further obligations under the plan except making annual contributions based on a specified percentage of each covered employee's salary. From November 1, 2006, the

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Company provided an option to the employees to receive the said benefit as cash compensation along with salary in lieu of the superannuation benefit. Thus, no contribution is required to be made for the category of employees who opted to receive the benefit in cash.

(ii) Provident fund administered through Regional Provident Fund Commissioner

All employees are entitled to Provident Fund benefits as per the law. For certain category of employees the Company administers the benefits through a recognised Provident Fund Trust. The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. For other employees contributions are made to the Regional Provident Fund Commissioners. The Government mandates the annual yield to be provided to the employees on their corpus. This plan is considered as a Defined Contribution Plan. For the first category of employees (covered by the Trust), the Company has an obligation to make good the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government and these are considered as Defined Benefit Plans and are accounted for on the basis of an actuarial valuation.

33.2 Defined benefit plans

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by separate funds which are legally separate from the Company. These plans are:

- Gratuity
 - Provident fund for certain category of employees administered through a recognised provident fund trust
- (i) **These plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.**

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

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for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(ii) The principal assumption used for the purpose of the actuarial valuation were as follows:

	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	7.16%	7.16%	6.69%	6.69%
Expected statutory interest rate	-	8.10%	-	8.50%
Salary increase	8.00%	-	7.00%	-
Retirement Age (years)	58	58	58	58
Mortality Rates	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Withdrawal rate				
Upto 30 years	20.00%	20.00%	20.00%	20.00%
31 to 44 years	7.00%	7.00%	7.00%	7.00%
Above 44 years	8.00%	8.00%	8.00%	8.00%

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

(iii) Amounts recognised in statement of profit and loss in respect of these benefit plans are as follows:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	9.09	7.73	8.03	6.75
Interest expenses (net of expected return on plan assets)	0.30	-	1.07	-
	9.39	7.73	9.10	6.75

The current service cost and the net interest expenses for the year are included in Note 25 "Employee Benefits Expenses" under the head "Contribution to provident and other funds".

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(iv) Amounts recognised in Other Comprehensive Income:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Actuarial (gain)/ losses on plan assets	(0.31)	-	(5.84)	-
Actuarial (gain)/ losses arising from changes in financial assumptions	3.71	-	0.49	-
Actuarial (gain)/ losses arising from changes in experience adjustments	3.90	-	2.94	-
	7.30	-	(2.41)	-

(v) The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	107.45	155.50	98.72	158.91
Fair value of plan assets	95.88	157.64	94.20	157.71
Surplus/ (Deficit)	(11.57)	2.14	(4.52)	(1.20)
Effect of asset ceiling, if any	-	(2.14)	-	-
Net assets / (liability)	(11.57)	-	(4.52)	(1.20)

(vi) Movements in the present value of defined benefit obligation are as follows:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	98.72	158.91	85.78	137.01
Current service cost	9.09	7.73	8.03	6.75
Interest cost	6.60	12.42	5.81	11.92
Actuarial (gain)/ losses arising from changes in financial assumptions	3.71	-	0.49	-
Actuarial (gain)/ losses arising from changes in experience adjustments	3.90	-	2.94	-
Benefits paid	(14.57)	(39.82)	(4.33)	(8.73)
Contribution by plan participants/ employees	-	12.72	-	10.83
Settlement/ transfer in	-	3.54	-	1.13
Closing defined benefit obligation	107.45	155.50	98.72	158.91

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(All amounts in ₹ Crores, unless otherwise stated)

(vii) Movements in the fair value of plan assets are as follows:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	94.20	157.71	69.96	136.55
Return on plan assets (excluding amounts included in net interest expenses)	6.62	15.76	10.58	11.18
Contributions from employer	9.63	7.73	17.99	6.75
Contributions from plan participants	-	12.72	-	10.83
Benefits paid	(14.57)	(39.82)	(4.33)	(8.73)
Settlement/ transfer in	-	3.54	-	1.13
Closing fair value of plan assets	95.88	157.64	94.20	157.71

Gratuity:

Plan assets comprises primarily of investment in HDFC Group Unit Linked Plan fund and ICICI Prudential Life Fund. The average duration of the defined benefit obligation is 9.12 years (Previous year: 9.14 years). The Company expects to make a contribution of ₹ 10.58 Crores (Previous year: ₹ 8.76 Crores) to the defined benefit plans during the next financial year.

Provident fund:

The plan assets have been primarily invested in government securities and corporate bonds.

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

	Year ended March 31, 2022		Year ended March 31, 2021	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Sensitivity analysis of Gratuity				
Discount rate	(3.54)	3.77	(3.00)	3.20
Expected salary growth	3.72	(3.53)	3.17	(3.01)
Sensitivity analysis of Provident Fund				
Discount rate	(0.01)	0.01	(0.01)	0.01

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(All amounts in ₹ Crores, unless otherwise stated)

33.3 Other long-term employee benefit

Amounts recognized in the statement of profit and loss in note 25 "Employee Benefits expense" under the head "Salaries and wages, including bonus" are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Long term retention pay (Refer to note (i) below)	-	-
Compensated absences	12.26	11.57
	12.26	11.57

(i) Long Term Retention Pay

The Company has a Long Term Retention Pay Plan which covers employees selected on the basis of their current band and their long term value to the Company. The incentive is payable in three year blocks subject to achievement of certain performance ratings. The Company also has a scheme for talent retention of certain identified employees under which an incentive is payable over a period of three years.

34 EMPLOYEE SHARE BASED PAYMENTS

The Company has an Employee Share Purchase Scheme (SRF Long Term Share Based Incentive Plan) to provide equity settled share based payments to eligible employees. The expenses related to the grant of shares under the Scheme are accounted for on the basis of fair value of the share on the grant date (which is the market price of the Company's share on the date of grant less exercise price). The fair value so determined is expensed on a straight line basis over the remaining tenure over which the employees renders their services.

The movement of number of equity shares granted, their fair value and the share based payment expense recognised during the year are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Number of equity shares:		
(i) At the beginning of the year	60,000	60,000
(ii) Impact of bonus issue of shares (Refer to note 13.1)	240,000	-
(iii) Granted during the year *	195,000	-
(iv) Released during the year ^	(300,000)	-
(v) At the end of the year	195,000	60,000
Market price on the grant date (₹ per equity share)	2,126.05	-
Exercise price (₹ per equity share)	10.00	-
Fair value of share based payment (₹ per equity share)	2,116.05	-
Share based payment expense recognised during the year ^ #	28.61	0.98

* These shares have a lock in period upto November 30, 2022 and are pledged for a period upto October 31, 2026.

^ During the current year, the Nomination and Remuneration Committee based upon the recommendations of the management released 300,000 equity shares from pledge, resulting into immediate vesting of these shares. As a result, an additional amount of ₹ 6.72 Crores has been recognised in the statement of profit and loss.

Includes amount of ₹ 17.50 Crores (Previous year: Nil) towards withholding tax on equity shares granted under the above scheme.

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for the year ended March 31, 2022

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35 SEGMENT REPORTING

Based on the guiding principles laid down in Indian Accounting Standard (Ind AS) - 108 "Segment Reporting", the Chairman & Managing Director of the Company is the Chief Operating Decision Maker (CODM) and for the purposes of resource allocation and assessment of segment performance the business of the Company is segregated in the segments below:

- Technical Textiles business: includes nylon tyre cord fabric, belting fabric, polyester tyre cord fabric and industrial yarns and its research and development
- Chemicals business: includes refrigerant gases, industrial chemicals, speciality chemicals, fluorochemicals & allied products and its research and development.
- Packaging Film business: includes polyester films and polypropylene films.
- Others: includes coated fabric, laminated fabric and other ancilliary activities.

Segment revenue, results and capital employed include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable.

In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments. These amounts relate to continuing operations, unless otherwise stated. (Refer to note 40 with regard to information in relation to discontinued operations).

b) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

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(All amounts in ₹ Crores, unless otherwise stated)

A. Information about operating business segments

	Year ended March 31, 2022	Year ended March 31, 2021
Segment revenue		
a) Technical textiles business (TTB)		
- External sales	2,073.33	1,231.41
- Inter-segment sales	11.91	8.70
Total	2,085.24	1,240.11
b) Chemicals business (CB)		
- External sales	5,212.26	3,636.85
- Inter-segment sales	-	-
Total	5,212.26	3,636.85
c) Packaging films business (PFB)		
- External sales	2,327.51	1,888.04
- Inter-segment sales	-	-
Total	2,327.51	1,888.04
d) Others		
- External sales	340.34	232.02
- Inter-segment sales	-	-
Total	340.34	232.02
Total segment revenue	9,965.35	6,997.02
Less: Inter segment revenue	11.91	8.70
Revenue from operations	9,953.44	6,988.32
Add: Unallocable income	135.31	63.30
Total revenue	10,088.75	7,051.62
Segment profits		
(Profit before interest and tax from each segment)		
a) Technical textiles business (TTB)	470.84	176.90
b) Chemicals business (CB)	1,397.35	730.11
c) Packaging films business (PFB)	482.72	567.79
d) Others	20.35	25.59
Total segment results	2,371.26	1,500.39
Less: i) Interest and finance charges	94.45	111.21
Less: ii) Other unallocable expenses net of income	121.77	79.21
Profit before tax	2,155.04	1,309.97

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for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Capital expenditure		
a) Technical textiles business (TTB)	63.43	77.90
b) Chemicals business (CB)	1,292.68	618.66
c) Packaging films business (PFB)	416.20	20.46
d) Others	1.66	1.92
e) Unallocated	8.38	3.13
Total	1,782.35	722.07
Depreciation and amortisation		
a) Technical textiles business (TTB)	40.56	35.41
b) Chemicals business (CB)	303.59	273.09
c) Packaging films business (PFB)	54.72	54.13
d) Others	7.53	8.06
e) Unallocated	12.83	12.91
Total	419.23	383.60
Segment assets and liabilities		
	As at March 31, 2022	As at March 31, 2021
Segment assets		
a) Technical textiles business (TTB)	1,830.61	1,594.08
b) Chemicals business (CB)	7,154.46	5,723.01
c) Packaging films business (PFB)	2,198.19	1,667.82
d) Others	174.94	171.97
Total	11,358.20	9,156.88
Unallocable assets	1,577.02	1,554.42
Assets classified as held for sale	3.00	-
Total assets	12,938.22	10,711.30
Segment liabilities		
a) Technical textiles business (TTB)	416.95	336.77
b) Chemicals business (CB)	938.85	707.94
c) Packaging films business (PFB)	390.99	338.22
d) Others	37.02	32.85
Total	1,783.81	1,415.78
Unallocable liabilities	3,529.61	3,000.25
Total liabilities	5,313.42	4,416.03

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(All amounts in ₹ Crores, unless otherwise stated)

B. Information about geographical business segments

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations		
- India	5,116.93	3,581.87
- Germany	382.97	466.31
- USA	1,399.61	477.13
- Belgium	528.32	635.51
- Switzerland	827.37	687.75
- Others	1,698.24	1,139.75
	9,953.44	6,988.32

	As at March 31, 2022	As at March 31, 2021
Non current segment assets		
- Within India	7,938.50	6,505.08
- Outside India	-	-
	7,938.50	6,505.08

Non-current segment assets includes property, plant and equipments, right-of-use assets, capital work in progress, intangible assets, goodwill and other non current assets.

During the year ended March 31, 2022 no customer contributed more than 10% to the Company's revenue (Previous year: one customer contributed 10.71% to the Company's revenue).

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from major products		
a) Technical textiles business (TTB)		
Nylon tyre cord fabric/ Polyester tyre cord fabric/ Belting fabric	1,880.90	1,122.94
Synthetic filament yarn including industrial yarn/ Twine	165.78	97.21
Others	5.16	0.62
b) Chemicals business (CB)		
Speciality chemicals	3,100.32	2,389.39
Fluorochemicals, Refrigerant gases and Allied products	1,695.53	885.95
Industrial chemicals	350.65	311.00
Others	0.01	0.75
c) Packaging films business (PFB)		
Packaging films	2,301.59	1,853.37
d) Others		
Laminated fabric, Coated fabric and other ancilliary activities	336.61	226.26
	9,836.55	6,887.49

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36 EARNINGS PER SHARE (EPS)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share	1,507.01	925.06
Weighted average number of equity shares for the purpose of calculating basic and diluted earnings per share (numbers)	296,306,696	295,263,898
Basic and diluted earnings per share of face value ₹ 10 each	50.86	31.33

Note:

During the current year, the Company has issued and allotted 236,980,820 fully paid up Bonus Equity shares of ₹ 10 each in the ratio of 4:1 (i.e. 4 Bonus Equity shares for every 1 existing equity share of the Company) to the shareholders who held shares on October 14, 2021 (Record date). Accordingly, basic and diluted earnings per share has been calculated based on the weighted average number of shares outstanding in the current and previous year, as adjusted by issuance of bonus shares.

37 LEASES

The Company leases various types of assets including land, buildings and plant and equipment. Information about leases for which the Company is a lessee is presented below.

Right-of-use assets	Land *	Buildings	Plant and equipment	Total
Cost				
Balance at March 31, 2020	148.04	44.98	50.63	243.65
Additions / adjustments	3.25	2.13	1.86	7.24
Disposals	-	(0.86)	(2.60)	(3.46)
Balance at March 31, 2021	151.29	46.25	49.89	247.43
Additions / adjustments	4.88	(0.45)	58.59	63.02
Disposals	-	-	(8.20)	(8.20)
Balance at March 31, 2022	156.17	45.80	100.28	302.25
Accumulated amortisation				
Balance at March 31, 2020	0.87	6.76	8.44	16.07
Depreciation expenses	1.68	7.07	9.31	18.06
Disposals	-	(0.86)	(2.60)	(3.46)
Balance at March 31, 2021	2.55	12.97	15.15	30.67
Depreciation expenses	1.74	6.59	16.10	24.43
Disposals	-	-	(8.20)	(8.20)
Balance at March 31, 2022	4.29	19.56	23.05	46.90

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Right-of-use assets	Land *	Buildings	Plant and equipment	Total
Carrying Amount				
Balance at March 31, 2020	147.17	38.22	42.19	227.58
Additions / adjustments	3.25	2.13	1.86	7.24
Disposals	-	-	-	-
Depreciation expenses	(1.68)	(7.07)	(9.31)	(18.06)
Balance at March 31, 2021	148.74	33.28	34.74	216.76
Additions / adjustments	4.88	(0.45)	58.59	63.02
Disposals	-	-	-	-
Depreciation expenses	(1.74)	(6.59)	(16.10)	(24.43)
Balance at March 31, 2022	151.88	26.24	77.23	255.35

* Refer note 41(g)(ii)

Lease liabilities included in the Balance Sheet	As at March 31, 2022	As at March 31, 2021
Current	20.66	13.80
Non-current	95.18	63.83

The average incremental borrowing rate applied to lease liabilities during the year ranges from 6.40% to 7.00% (Previous year: ranges from 6.50% to 8.00%)

Amounts recognised in Statement of Profit and Loss	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilities	8.69	6.49
Depreciation expense	24.43	18.06
Expenses relating to short-term leases and leases of low-value assets (Refer note 28)	27.54	15.62

Amounts recognised in Cash Flow Statement	Year ended March 31, 2022	Year ended March 31, 2021
Total cash outflow for leases	25.68	20.19

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38 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

38.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders by maintaining a reasonable balance between debt and equity. The capital structure of the Company consists of net debt (borrowings net of cash and cash equivalents, deposit accounts with maturity beyond three months upto twelve months and current investments) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on periodic basis. As part of its review, the management considers the cost of capital and risk associated with each class of capital. The Company also evaluates its gearing measures using Debt Equity Ratio to arrive at an appropriate level of debt and accordingly evolves its capital structure.

The following table provides the details of the debt and equity at the end of the reporting periods :

	As at March 31, 2022	As at March 31, 2021
Debt and lease liabilities	2,890.74	2,652.71
Less:		
Cash and cash equivalents	319.64	86.72
Deposit accounts with maturity beyond three months upto twelve months	0.20	135.19
Current investments	316.74	412.52
Net debt	2,254.16	2,018.28
Total equity	7,624.80	6,295.27
Net debt to equity ratio	0.30	0.32

38.2 Financial instruments by category

Financial assets	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Measured at amortised cost						
Trade Receivables		a	1,350.99	1,012.00	1,350.99	1,012.00
Cash and cash equivalents		a	319.64	86.72	319.64	86.72
Bank balances other than above		a	8.87	143.71	8.87	143.71
Loans		a,b	588.47	666.28	588.47	666.28
Other financial assets		a,b	238.71	180.00	238.71	180.00
			2,506.68	2,088.71	2,506.68	2,088.71

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Financial assets	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Measured at Fair value through profit and loss						
Investments in mutual funds and bonds / debentures	2	d	316.74	412.52	316.74	412.52
Derivative instruments	2	d	3.64	4.39	3.64	4.39
			320.38	416.91	320.38	416.91
Measured at Fair value through Other comprehensive income						
Investments in unquoted equity instruments	3	d	4.16	4.16	4.16	4.16
Derivative instruments	2	d	124.69	75.76	124.69	75.76
			128.85	79.92	128.85	79.92
Financial liabilities						
Financial liabilities	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Measured at amortised cost						
Borrowings		a,c	2,774.90	2,184.49	2,774.90	2,184.49
Trade payables		a	1,340.37	1,196.49	1,340.37	1,196.49
Other financial liabilities		a	301.68	499.66	301.68	499.66
			4,416.95	3,880.64	4,416.95	3,880.64
Measured at Fair value through profit and loss						
Derivative instruments	2	d	-	-	-	-
Measured at Fair value through Other comprehensive income						
Derivative instruments	2	d	-	0.54	-	0.54
			-	0.54	-	0.54

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

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

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- The fair value of other long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.
- The fair value is determined by using the valuation model/ technique with observable/ non-observable inputs and assumptions.
- Investment value excludes investment in subsidiaries which are shown at cost in balance sheet as per Ind AS 27 "Separate financial statements".

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2022 and March 31, 2021.

Level 1:

Quoted prices in the active market: This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2:

Valuation techniques with significant observable inputs: This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of over the counter (OTC) derivative contracts, open ended mutual funds, bonds and debentures.

Level 3:

Valuation techniques with significant unobservable inputs: This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Investments in mutual funds and bonds / debentures: Fair value is determined by reference to quotes from the financial institutions.
- Derivative contracts: The Company has entered into various foreign currency contracts and interest rate swaps contracts to manage its exposure to fluctuations in foreign exchange rates and interest rate respectively. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the authorized dealers banks and forward exchange rates at the balance sheet date.
- Unquoted equity investments: Fair value is determined based on the recoverable value as per agreement with the investee.

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Reconciliation of Level 3 fair value measurements	Unlisted equity instruments	Financial Guarantee Contracts
As at March 31, 2020	4.16	-
Purchase of investment	-	-
As at March 31, 2021	4.16	-
Purchase of investment	-	-
As at March 31, 2022	4.16	-

Sensitivity of the fair value measurement to changes in unobservable inputs for financial instruments in Level 3 level of hierarchy is insignificant.

38.3 Financial Risk Management

The Company is exposed to various financial risks arising from its underlying operations and finance activities. The Company is primarily exposed to market risk (i.e. interest rate and foreign currency risk) and to credit risk and liquidity risk. The Company's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management within the Company is governed by policies and guidelines approved by the senior management and the Board of Directors. These policies and guidelines cover interest rate risk, foreign currency risk, credit risk and liquidity risk. Company policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function within the Company. Review of the financial risk is done on a monthly basis by the Managing Director and on a quarterly basis by the Board of Directors. The objective of financial risk management is to contain, where deemed appropriate, exposures on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the Company's results and financial position.

In accordance with its financial risk management policies, the Company manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. It is the Company's policy and practice neither to enter into derivative transactions for speculative purpose, nor for any purpose unrelated to the underlying business. The Board of Directors / Managing Director reviews and approves policies for managing each of the above risks.

38.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The Company enters into derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk.

A. Foreign Currency Risk Management

Foreign currency risk also known as Exchange Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign currency risk in the Company is attributable to Company's operating activities, investing activities and financing activities.

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In the operating activities, the Company's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). In compliance with the Board approved policy, the Company manages the net exposure on a rolling 12 month basis and for exposures between 12 to 36 months, hedging is done based on specific exposure. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the Company are mainly in U.S. Dollar (USD), Euro (EUR), Japanese Yen (JPY) and British Pound Sterling (GBP). The Company's exposure to foreign currency changes for all other currencies is not material.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in ₹ are as follows:

	Assets		Liabilities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD	870.29	729.29	2,205.38	1,903.09
EUR	282.87	257.67	547.26	512.07
JPY	-	-	6.33	9.95
GBP	6.73	3.15	0.01	13.12

Foreign currency sensitivity analysis

The Company is mainly exposed to changes in USD, EUR, JPY and GBP exchange rates.

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) *				
USD	4.58	(4.58)	6.10	(6.10)
EUR	(1.11)	1.11	(2.52)	2.52
JPY	0.06	(0.06)	0.10	(0.10)
GBP	(0.07)	0.07	0.10	(0.10)
Impact on equity (Other Comprehensive Income)				
USD	8.62	(8.62)	5.49	(5.49)
EUR	3.75	(3.75)	5.08	(5.08)

* Includes sensitivity on long-term foreign currency monetary items on which Para D13 AA of Ind AS 101 has been applied. Accordingly, the exchange loss/ (gain) arising on long term foreign currency monetary items relating to acquisition of depreciable assets will be added to/ deleted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of assets.

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Foreign exchange derivative and non-derivative financial instruments

The Company uses derivative as well as non-derivative financial instruments for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within of 1 to 36 months for hedges of forecasted sales, purchases, loans and liabilities and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contracts*	No of Deals		Contract Value of Foreign Currency (In Millions)		Maturity			
					Up to 12 months Nominal Amount* (₹ Crores)		More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD / INR Sell forward	362	264	735.50	513.25	2,821.04	2,029.40	3,095.66	1,998.63
EUR / INR Sell forward	1	17	20.00	40.50	-	181.53	202.77	202.77

* Computed using average forward contract rates

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in forward rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) for the year				
USD	1.83	(1.83)	1.76	(1.76)
EUR	-	-	0.34	(0.34)
Impact on equity (Other Comprehensive Income)				
USD	56.31	(56.31)	37.82	(37.82)
EUR	1.81	(1.81)	3.40	(3.40)

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B. Interest Rate Risk Management

Interest rate risk arises from movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings. The Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts, calculated by reference to an agreed principal amount outstanding at the time of inception of the swap. Out of the total long term borrowings, the amount of fixed interest loan is ₹ 938.35 Crores and floating interest loan is ₹ 916.26 Crores (Previous year: Fixed interest loan ₹ 898.59 Crores and Floating interest loan ₹ 917.02 Crores).

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate long term borrowings, as follows:

	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %
Increase in profit before tax by	1.29	0.99	2.85	0.52

In case of increase in interest rate by above mentioned percentage, there would be a comparable negative impact on the profit before tax as mentioned above.

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Company has exposures to USD-LIBOR and EUR-IBOR on its financial instruments. The Company has renegotiated all working capital facilities agreements and have moved to new benchmarks, wherever IBOR reforms had mandated.

As per the IBOR reform regulations, USD LIBOR based contracts entered into on or before December 31, 2021 are allowed to continue utilising the facility until the maturity date, provided such date is before June 30, 2023. The Company has certain loans which falls under this category and accordingly, the management has taken a decision to continue on 1 Month / 3 Months / 6 Months LIBOR. All the EUR denominated long term loans of the Company are linked to EURIBOR and thus not impacted by IBOR reforms.

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The Company has two loans (USD-LIBOR benchmark linked) which are maturing after June 2023 and the management has planned to migrate these loans to SOFR (secured overnight financing rate) benchmark prior to June 2023, along with IRS contract, if any. The management does not envisage any significant impact on the financial statements due to the migration.

Interest Rate Swap Contracts

Under interest rate swap (IRS) contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on the agreed notional principal amounts. Such contracts enables the Company to mitigate the risk of changing interest rates.

The following table details the IRS contracts outstanding at the end of the reporting period:

Outstanding Contracts*	No of Deals		Contract Value of Foreign Currency (In Millions)		Maturity			
					Up to 12 months Nominal Amount* (₹ Crores)		More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
IRS Contracts*	4	4	20.28	31.05	90.76	85.49	62.79	141.68

* Sensitivity on the above IRS contracts in respect of interest rate exposure is insignificant

Each of the above trades are in the nature of cash flow hedges and are effective hedges. The mark to market on these trades is therefore routed through Cash flow Hedge Reserve. The interest rate swap and the interest payments on the loan are paid simultaneously and are charged off to the statement of profit and loss.

C. Hedge accounting

Cash flow hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2022		Year ended March 31, 2022	As at March 31, 2021			Year ended March 31, 2021	
	Nominal amount	Carrying amount where the Assets / hedging (liabilities) instrument is included		Line item where the hedging instrument is included	Nominal amount	Carrying amount where the Assets / hedging (liabilities) instrument is included		Line item where the hedging instrument is included
Foreign exchange contracts	5,932.96	121.17	Other financial assets (current and non-current)	46.42	4,197.13	74.75	Other financial assets (current and non-current)	140.37
Foreign currency denominated loans	1,236.86	(1,236.86)	Borrowings (current and non-current)	8.20	1,055.91	(1,055.91)	Borrowings (current and non-current)	(1.27)

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Hedging instruments	As at March 31, 2022			Year ended March 31, 2022	As at March 31, 2021			Year ended March 31, 2021
	Nominal amount	Carrying amount where the Assets / hedging (liabilities) instrument is included	Line item where the hedging instrument is included		Nominal amount	Carrying amount where the Assets / hedging (liabilities) instrument is included	Line item where the hedging instrument is included	
Interest rate swap contacts	153.55	3.52	Other financial assets (current and non-current)	2.51	227.17	1.01	Other financial assets (current and non-current)	1.01
			- Other financial liabilities (current and non-current)	0.54		(0.54)	Other financial liabilities (current and non-current)	1.88

Fair Value hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2022			Year ended March 31, 2022	As at March 31, 2021			Year ended March 31, 2021
	Nominal amount	Carrying amount where the Assets / (liabilities)	Line item where the hedging instrument is included		Nominal amount	Carrying amount where the Assets / (liabilities)	Line item where the hedging instrument is included	
Foreign exchange contracts	186.51	3.64	Other financial assets (current and non-current)	(0.74)	215.21	4.39	Other financial assets (current and non-current)	4.44

Movement of cash flow hedging reserve and cost of hedging reserve

Particulars	Cash flow hedging reserve		Cost of hedging reserve	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Opening Balance	7.53	(78.56)	0.62	-
Changes in the spot element of the forward contracts which is designated as hedging instruments for time period related hedge	(3.12)	7.04	-	-

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Particulars	Cash flow hedging reserve		Cost of hedging reserve	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Changes in the forward element of the forward contracts where changes in spot element of forward contract is designated as hedging instruments for time period related hedges	-	-	20.83	3.87
Changes in fair value of forward contracts designated as hedging instruments	28.77	130.71	-	-
Changes in fair value of interest rate swaps	3.05	2.89	-	-
Amount reclassified to Profit or Loss (Foreign exchange (gain) / loss)	16.54	3.12	(19.35)	(2.92)
Amount arising from remeasurement of financial liability	(5.25)	(11.43)	-	-
Taxes related to above	(13.03)	(46.24)	(0.45)	(0.33)
Closing Balance	34.49	7.53	1.65	0.62

38.3.2 Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables, loans and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with counterparties who meet the parameters specified in Investment Policy of the Company. The investment policy is reviewed by the Company's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as to minimize the concentration of risks and therefore mitigate financial loss due to counterparty's potential failure.

Expected credit loss on financial assets:

To manage credit risk for trade receivables, the Company establishes credit approvals and credit limits, periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

With regard to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on these financial assets other than as detailed below.

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Loss allowance for the following financial assets have been recognised by the Company:

	Note No.	As at March 31, 2022	As at March 31, 2021
Loans - current	6	2.74	2.74
Trade receivables	10	2.28	3.96
		5.02	6.70

Movement of loss allowance :

	Loans (current and non current)	Trade receivables
As at March 31, 2020	2.74	2.46
Provided during the year	0.24	11.82
Reversed / utilised during the year	(0.24)	(10.32)
As at March 31, 2021	2.74	3.96
Provided during the year	0.17	0.59
Reversed / utilised during the year	(0.17)	(2.27)
As at March 31, 2022	2.74	2.28

Other than financial assets mentioned above, none of the Company's financial assets are impaired, as there are no indications that defaults in payments obligation would occur.

38.3.3 Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the Company to meet its financial obligations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of money market instruments, bank overdrafts, bank loans, debentures and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director, Chief Financial Officer and Treasury Head. The Company assesses the concentration of risk with respect to refinancing its debt, guarantee given and funding of its capital expenditure needs of the future. The Company manages its liquidity by holding appropriate volumes of liquid assets which are available for its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyze the Company's financial liabilities into relevant maturity profiles based on their contractual maturities:

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2022				
Borrowings*	1,613.26	1,211.71	-	2,824.97
Lease Liabilities**	28.63	84.50	59.52	172.65
Trade payables	1,340.37	-	-	1,340.37
Other financial liabilities	148.15	153.53	-	301.68
	3,130.41	1,449.74	59.52	4,639.67

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	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2021				
Borrowings*	1,198.91	1,466.63	-	2,665.54
Lease Liabilities**	19.30	53.85	53.68	126.83
Trade payables	1,196.49	-	-	1,196.49
Other financial liabilities	109.08	0.54	-	109.62
	2,523.78	1,521.02	53.68	4,098.48

* Includes current maturity of non-current borrowings and future cash outflow towards estimated interest on non-current borrowings

** Includes future cash outflow towards estimated interest on lease liabilities.

39 Contract balances

The following table provides information about contract liabilities from contracts with customers:

Contract liability	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	13.53	10.75
Revenue recognised that was included in the contract liability balance at the beginning of the period	(13.53)	(10.75)
Increase due to cash received, excluding the amount recognised as revenue during the period	23.85	13.53
	23.85	13.53

40 Assets held for sale

(a) Description:

During the current year, the management has decided to dispose off inoperative assets related to Industrial Yarn Unit. Accordingly, these assets have been classified as assets held for sale in terms of Ind AS 105- "Non-current assets held for sale and discontinued operations" and recognised at their estimated fair value. Till previous year, these assets were reported under "Technical textiles business segment" in accordance with the requirements of Ind AS 108 – "Operating Segments" in the financial statements.

(b) Assets classified as held for sale:

	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment	3.00	-

(c) Loss recognised on:

	Year ended March 31, 2022	Year ended March 31, 2021
(i) Impairment of goodwill	0.62	-
(ii) Fair value of assets classified as held for sale	5.75	-

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41 ADDITIONAL DISCLOSURES

(a) RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹ 116.99 Crores (Previous year: ₹ 110.50 Crores) included in these financial statements are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Capital expenditure	8.49	13.46
Revenue expenditure	108.50	97.04
	116.99	110.50

The details of revenue expenditure incurred on research and development is as below:

	Year ended March 31, 2022	Year ended March 31, 2021
Cost of material consumed	1.68	2.73
Salaries and wages, including bonus	49.11	42.97
Contribution to provident and other funds	2.92	2.61
Workmen and staff welfare expenses	3.37	2.72
Stores and spares consumed	4.94	6.11
Power and fuel	7.94	4.84
Rent	0.26	-
Repairs and maintenance		
- Buildings	-	-
- Plant and machinery	10.63	8.32
- Others	0.85	0.58
Insurance	1.02	0.96
Rates and taxes	0.06	0.07
Travelling and conveyance	0.51	0.16
Legal and professional charges	4.12	3.58
Depreciation and amortisation expense	16.65	18.33
Interest cost	0.05	0.28
Miscellaneous expenses	4.39	2.78
	108.50	97.04

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(b) MANAGERIAL REMUNERATION

	Year ended March 31, 2022	Year ended March 31, 2021
(i) (a) Remuneration to Chairman/ Managing Director/ Deputy Managing Director/ Whole time Director		
Salary and contribution to provident and other funds	16.39	12.04
Value of perquisites	2.58	2.36
Commission	18.00	12.00
SUB-TOTAL	36.97	26.40
(b) Remuneration to Non Executive Directors		
Commission	0.90	0.84
Directors' sitting fees	0.29	0.27
Other fees	0.06	0.14
SUB-TOTAL	1.25	1.25
TOTAL	38.22	27.65

ii) Computation of managerial remuneration in accordance with section 197 of the Companies Act, 2013

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before taxation	2,155.04	1,309.97
Add:		
Managerial remuneration including commission	38.22	27.65
Loss/ write off of fixed assets as per accounts	10.73	1.37
Provision for doubtful debts/ advances/ investments	(1.68)	1.44
Sub Total	47.27	30.46
Less:		
Profit on sale of fixed assets as per accounts	3.09	0.39
Net Gain on financial assets measured at FVTPL	7.06	25.45
Excess Provision written back	2.59	11.42
Sub Total	12.74	37.26

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit as per section 197 of the Companies Act, 2013	2,189.57	1,303.17
Maximum remuneration as commission and/ or salary including perquisites @ 10% of net profit of ₹ 2,189.57 Crores (Previous year: ₹ 1,303.17 Crores) which can be paid to Managing Directors/ Whole time Directors under section 197 of the 2013 Act	218.96	130.32
Remuneration paid/ payable to Managing Directors / Whole Time Directors	36.97	26.40
Maximum remuneration payable to Non-Executive Directors @ 1% of net profit of ₹ 2,189.57 Crores (Previous year: ₹ 1,303.17 Crores) under section 197 of the 2013 Act	21.90	13.03
Remuneration paid/ payable to Non-Executive Directors	1.25	1.25

- (c) The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13 AA of Ind AS 101. Accordingly, exchange loss/ (gain) arising on all long term monetary items financed or re-financed on or before March 31, 2016 relating to acquisition of following depreciable assets are added to/ adjusted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of such assets.

	Year ended March 31, 2022	Year ended March 31, 2021
Exchange loss/ (gain) added/ (adjusted)		
Property, plant and equipment		
- Plant and equipment	5.90	(8.60)
	5.90	(8.60)

The cumulative exchange loss/ (gain) added/ (adjusted) and remaining unamortised as at March 31, 2022 is ₹ 122.66 Crores (Previous year: ₹ 130.49 Crores).

- (d) Disclosures pursuant to section 186(4) of the Companies Act, 2013 and regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as applicable:

- (i) Details of guarantees:

Nature of Guarantees	Purpose
Refer note 31 (c) above	To secure the financial facilities sanctioned to subsidiaries by banks and other companies.

- (ii) Details of investments:

Nature of Investments	Purpose
Refer note 5.1 above	Investment in wholly owned subsidiaries.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(iii) Details of unsecured loans given:

Particulars of loans	Terms	As at	
		March 31, 2022	March 31, 2021
SRF Global BV (denominated in USD) - given for repayment of existing borrowings and general corporate purpose	Principal amount repayable from March 2023 to March 2025 (Previous year: December 2021 to March 2023). Interest on a fixed rate basis, payable annually. The effective yield is in compliance with Section 186 of the Companies Act, 2013.		
As at the beginning of the year		438.90	-
Given during the year		227.45	439.45
Received back during the year		(274.66)	-
Foreign currency exchange fluctuation gain / (loss)		5.89	(0.55)
As at end of the year		397.58	438.90
Maximum balance outstanding		611.97	439.45
SRF Global BV (denominated in EUR) - given for prepayment of existing borrowings	Principal amount repayable in June 2023. Interest on a fixed rate basis, payable annually. The effective yield is in compliance with Section 186 of the Companies Act, 2013.		
As at the beginning of the year		171.55	-
Given during the year		-	178.03
Foreign currency exchange fluctuation gain / (loss)		(3.41)	(6.48)
As at end of the year		168.14	171.55
Maximum balance outstanding		171.55	178.03
SRF Altech Limited (denominated in INR) - given for incorporation expenses	Repayable on demand. Interest payable within 60 days from the end of calendar quarter at 5% per annum.		
As at the beginning of the year		-	-
Given during the year		2.75	-
Received back during the year		(2.75)	-
As at end of the year		-	-
Maximum balance outstanding		2.75	-

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(e) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2022 is to be conducted on or before due date of the filing of return and the Company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

(f) Disclosure on corporate social responsibility expense:

	Year ended March 31, 2022	Year ended March 31, 2021
(i) Amount required to be spent by the company during the year	18.61	12.88
(ii) Amount of expenditure incurred	19.06 *	10.18
(iii) Shortfall at the end of the year	-	2.70 ^
(iv) Total of previous years shortfall	-	-
(v) Reason of shortfall	-	Pertains to ongoing projects
(vi) Nature of CSR activities		School education, disaster management, environmental projects, Covid 19 Relief, Vocational skill and livelihoods projects and promotion of art and cultural projects.
(vii) Details of related party transactions	21.38	9.18
(viii) Provision made with respect to a liability incurred by entering into a contractual obligation	-	-

^ Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the unspent amount was subsequently deposited in a "Unspent CSR Account" and also utilised during the year ended March 31, 2022.

* This includes ₹ 18.68 Crores pertaining to current year and ₹ 0.37 Crore pertaining to previous year. In accordance with the above amended rules, the Company had taken credit for ₹ 0.37 Crore for excess CSR expenditure incurred during financial year 2019-20 and adjusted the same towards the CSR obligation for financial year 2020-21. However, the Ministry of Corporate Affairs (MCA), through its circular dated August 25, 2021, clarified that the companies cannot set off excess CSR amount spent prior to financial year 2020-21. Accordingly, an amount of ₹ 0.37 crore has been transferred to one of the specified funds prescribed under Schedule VII to the Companies Act, 2013 before September 30, 2021.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(g) OTHER STATUTORY INFORMATION

(i) Analytical ratios:

	Year ended March 31, 2022	Year ended March 31, 2021	% change	Reason for change, wherever more than 25%
(i) Current ratio (Total current assets / Total current liabilities)	1.35	1.43	(5.57)%	Not applicable
(ii) Debt-equity ratio (Total debt including lease liabilities / Total equity)	0.38	0.42	10.03%	Not applicable
(iii) Debt service coverage ratio [(Earnings before depreciation, interest and tax - current tax) / (Gross interest and lease payments + scheduled principal repayment of long term debts)]	4.06	1.70	138.32%	Better operating margins resulting in higher cash flows, lower cost of borrowing, and lower scheduled principal repayment of long term debts.
(iv) Return on equity ratio (Profit after tax / Average equity)	21.65%	16.85%	28.50%	Increase in PAT by 62.91% from ₹ 925.06 Crores to ₹ 1507.01 Crores.
(v) Inventory turnover ratio (Sale of products / Average inventory)	6.48	5.75	12.70%	Not applicable
(vi) Trade receivables turnover ratio (Sale of products / Average trade receivables)	8.33	7.74	7.63%	Not applicable
(vii) Trade payables turnover ratio (Purchases of raw materials / Average trade payables)	3.95	3.17	(24.65)%	Not applicable
(viii) Net capital turnover ratio (Sale of products / Working capital)	8.82	6.30	39.97%	Increase in sales turnover.
(ix) Net profit ratio (Profit after tax / Total revenue from operations including other operating income)	15.14%	13.24%	14.38%	Not applicable
(x) Return on capital employed [Earnings before interest and tax / (Total equity - other intangible assets - goodwill + total debt + deferred tax liability)]	20.41%	15.51%	31.62%	Higher earnings before interest and tax by 58.28% and capital employed increase by 20.26%.
(xi) Return on investment* (Income generated from investments / Weighted average investments)	6.09%	5.41%	12.57%	Not applicable

* Mutual funds, bonds and debentures are considered for the purpose of computing return on investment.

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(ii) Details of title deeds of immovable property not held in name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Right-of-use assets	Land at Bharuch, Dahej, Gujarat	₹ 109.29 Crores (carrying amount)	Gujarat Industrial Development Corporation (GIDC) at Dahej, Gujarat	No	From June 2009 onwards (by multiple allotment orders)	The execution of lease deed of land in respect of 1,165,437 square meters of leasehold land already allotted (out of a total of 1,181,776 square meters) to the Company is pending. As a process agreed with GIDC, the same will be executed once the entire / substantial portion of the above piece of land is allotted / handed over to the Company.

(iii) The Company does not have any transactions with companies which are struck off, except the following:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021	Relationship with the struck off company, if any
Jyotsna Engineers & Consultants Private Limited	Receivables	^	^	Vendor
Krishna Freeze Private Limited	Payables	0.01	0.01	Customer
Perfect Refcon & Tools Private Limited	Payables	0.01	0.01	Customer

^ Amount in absolute ₹ 2,000 (Previous year: ₹ 2,000)

Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

- (iv) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
 - (v) The Company is not declared a wilful defaulter by any bank or financial institution or any other lender.
 - (vi) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
 - (vii) The company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
 - (viii) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ix) There are no funds which have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (x) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
 - (xi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (h) The figures for the previous year have been regrouped wherever necessary to comply with amendments in Schedule III of the Companies Act, 2013.

As per our report of even date attached For and on behalf of the Board of Directors

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

Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore

Partner
Membership No.: 090075
Place : Gurugram
Date : May 27, 2022

Ashish Bharat Ram

Chairman and Managing
Director
DIN - 00671567
Place : Gurugram
Date : May 09, 2022

Kartik Bharat Ram

Joint Managing Director
DIN - 00008557
Place : Gurugram
Date : May 09, 2022

Rahul Jain

President & CFO
Place : Gurugram
Date : May 09, 2022

Bharti Gupta Ramola

Director
DIN - 00356188
Place : Gurugram
Date : May 09, 2022

Rajat Lakhnupal

Vice President
(Corporate Compliance)
and Company Secretary
Place : Gurugram
Date : May 09, 2022

Independent Auditor's Report

To the Members of SRF Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of SRF Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Accounting for derivatives

The key audit matter	How the matter was addressed in our audit
<p>An important element of Group's fund-raising strategy involves various types of borrowings, including, foreign currency denominated borrowings and a combination of fixed and floating interest rates, and also foreign currency denominated loans and advances to other parties. The Group's operating activities are also exposed to significant foreign exchange risk (refer to note 40 of the consolidated financial statements).</p> <p>The Group uses derivative financial instruments to mitigate foreign currency risk and interest rate risk primarily through foreign currency forward exchange contracts and interest rate swaps.</p> <p>Further, the Group has been using hedge relationship designation as per criteria set out in relevant Indian accounting standards.</p> <p>Accounting thereof and related presentation and disclosures of these transactions require significant judgement.</p> <p>Given the significant level of judgement and estimation involved and the quantitative significance, we have determined this to be a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> – Tested the design, implementation and operating effectiveness of controls over the Group's treasury and other related functions which directly impact the relevant account balances and transactions, including hedge accounting. – For selected samples via statistical sampling, obtained external confirmations from counterparties of the year end positions as well as agreed to original agreements. – Performed sample tests of valuation and accounting of these transactions. In doing so we have involved valuation specialists to assist us in carrying out aforesaid procedure, as considered necessary. – Assessed the adequacy of disclosures in the financial statements in respect of both non-derivative and derivative financial instruments.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors/Trustees of the companies/entity included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company/entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and

maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors/ Trustees of the companies/entity included in the Group are responsible for assessing the ability of each company/entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/ Trustees either intends to liquidate the Company/ Entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/Trustees of the companies/entity included in the Group are responsible for overseeing the financial reporting process of each company/entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which

we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial information of eight subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of ₹ 4,120.82 Crores as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 2,613.96 Crores and net cash inflows (before consolidation adjustments) amounting to ₹ 79.23 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports

have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in

the "Other Matters" paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements.
- b) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 40 to the consolidated financial statements in respect of such items as it relates to the Group.
- c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by its subsidiary companies incorporated in India during the year ended 31 March 2022.
- d) (i) The respective managements of the Company and its subsidiaries, which are incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, as disclosed in the note 47(f)(i) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in

any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively, that, to the best of its knowledge and belief, as disclosed in the note 47(f)(ii) to accounts, no funds have been received by the Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in

the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

- e) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act. The subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Firm's Registration No.: 101248W/W-100022

Kaushal Kishore

Partner

Place: Gurugram

Membership No.: 090075

Date: 27 May 2022

UDIN: 22090075AJTDSI3005

Annexure A to the Independent Auditor's Report on Consolidated Financial Statements

(Referred to in our report of even date)

Clause (xxi) of Companies (Auditor's Report) Order, 2020

In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

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

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Kaushal Kishore

Partner

Membership No.: 090075

UDIN: 22090075AJTDSI3005

Place: Gurugram

Date: 27 May 2022

Annexure B to the Independent Auditors' report on the consolidated financial statements of SRF Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of SRF Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria

established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists,

and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection

of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Kaushal Kishore
Partner

Place: Gurugram Membership No.: 090075
Date: 27 May 2022 UDIN: 22090075AJTDSI3005

Consolidated Balance Sheet

as at March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at	As at
		March 31, 2022	March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	8,050.54	7,497.21
Right-of-use assets	43	255.35	216.76
Capital work-in-progress	4.1	1,671.63	772.26
Goodwill	5	-	0.62
Other intangible assets	6	119.40	112.37
Financial assets			
(i) Investments	7	4.16	4.16
(ii) Loans	8	14.72	10.55
(iii) Other financial assets	10	140.52	80.58
Deferred tax assets	9	11.60	18.14
Non current tax assets (net)	22	21.31	33.74
Other non-current assets	11	233.06	244.10
Total non-current assets		10,522.29	8,990.49
Current assets			
Inventories	12	2,138.47	1,465.82
Financial assets			
(i) Investments	7	316.74	412.52
(ii) Trade receivables	13	1,792.45	1,274.56
(iii) Cash and cash equivalents	14	450.48	138.29
(iv) Bank balances other than above	15	8.87	143.71
(v) Loans	8	8.80	11.21
(vi) Other financial assets	10	225.83	225.85
Other current assets	11	309.68	266.96
Total current assets		5,251.32	3,938.92
Assets classified as held for sale	42 C	3.00	-
TOTAL ASSETS		15,776.61	12,929.41
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	297.44	60.26
Other equity	17	8,267.92	6,796.16
Total equity		8,565.36	6,856.42
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	1,753.30	1,965.01
(ii) Lease liabilities	43	95.18	63.83
(iii) Other financial liabilities	21	153.86	0.54
Provisions	19	51.58	43.55
Deferred tax liabilities (net)	9	677.46	386.16
Other non-current liabilities	23	39.56	42.77
Total non-current liabilities		2,770.94	2,501.86

Consolidated Balance Sheet (CONTD.)

as at March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at	As at
		March 31, 2022	March 31, 2021
Current liabilities			
Financial liabilities			
(i) Borrowings	18	1,786.05	1,425.95
(ii) Lease liabilities	43	20.66	13.80
(iii) Trade payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		55.98	33.37
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,040.37	1,551.82
(iv) Other financial liabilities	21	371.70	432.29
Other current liabilities	23	143.97	92.73
Provisions	19	7.38	8.68
Current tax liabilities (Net)	22	14.20	12.49
Total current liabilities		4,440.31	3,571.13
Total Liabilities		7,211.25	6,072.99
TOTAL EQUITY AND LIABILITIES		15,776.61	12,929.41

Summary of significant accounting policies

1-3

See accompanying notes to the consolidated financial statements

4 to 47

As per our report of even date attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**Chartered Accountants
ICAI Firm registration no.
101248W / W-100022**Kaushal Kishore**Partner
Membership No.: 090075
Place: Gurugram
Date: May 27, 2022**Ashish Bharat Ram**Chairman and Managing Director
DIN - 00671567
Place: Gurugram
Date: May 09, 2022**Kartik Bharat Ram**Joint Managing Director
DIN - 00008557
Place: Gurugram
Date: May 09, 2022**Bharti Gupta Ramola**Director
DIN - 00356188
Place: Gurugram
Date: May 09, 2022**Rahul Jain**President & CFO
Place: Gurugram
Date: May 09, 2022**Rajat Lakhanpal**Vice President
(Corporate Compliance)
and Company Secretary
Place: Gurugram
Date: May 09, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I Revenue from operations	24	12,433.66	8,400.04
II Other income	25	115.51	66.35
III Total Income (I + II)		12,549.17	8,466.39
IV Expenses			
Cost of materials consumed	26.1	6,171.10	4,027.68
Purchases of stock-in-trade	26.2	175.59	62.92
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26.3	(279.75)	(71.66)
Employee benefits expense	27	780.00	621.40
Finance costs	28	115.93	133.95
Depreciation and amortisation expense	29	517.23	453.08
Other expenses	30	2,483.52	1,626.37
Total Expenses (IV)		9,963.62	6,853.74
V Profit before tax from continuing operations (III - IV)		2,585.55	1,612.65
VI Tax expense related to continuing operations	31		
Current tax		657.53	357.99
Deferred tax			
- MAT credit entitlement		(25.27)	(5.38)
- Others		64.37	61.79
Total tax expense related to continuing operations		696.63	414.40
VII Profit for the year from continuing operations (V - VI)		1,888.92	1,198.25
VIII Profit / (loss) before tax from discontinued operations	42 A	-	(2.73)
IX Tax expense / (credit) of discontinued operations	31	-	(2.42)
X Profit for the year from discontinued operations (VIII - IX)		-	(0.31)
XI Total Profit for the year (VII + X)		1,888.92	1,197.94

Consolidated Statement of Profit and Loss (CONTD.)

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
XII Other comprehensive income			
A Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans	17.2, 36.2	(7.47)	2.68
Income tax on item (i) above	17.2, 32	2.55	(0.84)
B Items that will be reclassified to profit or loss			
(i) Exchange differences on translation of foreign operations	17.9	1.30	36.44
(ii) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	17.3	39.99	132.33
Income tax on item (ii) above	32	(13.03)	(46.24)
(iii) Cost of hedging reserve	17.4	(2.17)	3.46
Income tax on item (iii) above	32	(0.45)	(0.33)
Total other comprehensive income for the year, net of taxes (A(i) + B(i+ii+iii))		20.72	127.50
XIII Total comprehensive income for the year (XI + XII)		1,909.64	1,325.44
Basic and Diluted earning per equity share (in ₹)	39		
From continuing operations		63.75	40.58
From discontinued operations		-	(0.01)
From continuing and discontinued operations		63.75	40.57
Summary of significant accounting policies	1-3		
See accompanying notes to the consolidated financial statements	4 to 47		

As per our report of even date attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place: Gurugram
Date: May 27, 2022

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567
Place: Gurugram
Date: May 09, 2022

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557
Place: Gurugram
Date: May 09, 2022

Bharti Gupta Ramola
Director
DIN - 00356188
Place: Gurugram
Date: May 09, 2022

Rahul Jain
President & CFO
Place: Gurugram
Date: May 09, 2022

Rajat Lakhanpal
Vice President
(Corporate Compliance)
and Company Secretary
Place: Gurugram
Date: May 09, 2022

Consolidated Cash Flow Statement

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit (loss) before tax		
- Continuing Operations	2,585.55	1,612.65
- Discontinued Operations	-	(2.73)
Adjustments for:		
Finance costs	115.93	134.01
Interest income	(24.00)	(9.02)
Net gain on sale of property, plant and equipment	(2.90)	(5.99)
Net gain on financial assets measured at fair value through profit and loss	(7.06)	(25.45)
Credit impaired assets provided / (written back)	0.95	11.94
Amortisation of grant income	(1.76)	(1.38)
Depreciation and amortisation expense	517.23	453.08
Property, plant and equipment and inventory discarded / provided	18.80	3.40
Provision / liabilities no longer required written back	(2.71)	(11.99)
Net unrealised currency exchange fluctuations loss / (gain)	(39.44)	(9.05)
Employee share based payment expense	11.11	0.97
Stamp duty on purchase of investments	0.08	0.15
Adjustments for (increase) / decrease in operating assets:-		
Trade receivables	(507.14)	(400.10)
Inventories	(665.67)	(259.83)
Loans (current)	(1.24)	1.07
Loans (non-current)	(4.16)	(0.61)
Other assets (current)	(23.11)	35.70
Other assets (non-current)	(1.85)	(3.96)
Adjustments for increase / (decrease) in operating liabilities:-		
Trade payables	510.11	480.23
Provisions	6.68	7.46
Other liabilities (non-current)	0.34	-
Other liabilities (current)	21.58	16.44
Cash generated from operations	2,507.32	2,026.99
Income taxes paid (net of refunds)	(401.60)	(255.31)
Net cash generated from operating activities	2,105.72	1,771.68
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment made for acquisition of business by subsidiary (Refer note 46)	(9.96)	-
Net sale / (purchases) of mutual funds	102.84	(188.57)
Stamp duty on purchase of investments	(0.08)	(0.15)
Interest received	31.60	0.09
Bank balances not considered as cash and cash equivalents	104.98	(134.52)
Payment for purchase of property, plant, equipment, capital work-in-progress and intangible assets	(1,832.07)	(1,214.35)
Proceeds from disposal of property, plant and equipment	14.95	9.66
Grant Received from Government of Republic of Hungary	-	28.16
Net cash used in investing activities	(1,587.74)	(1,499.68)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	0.20	750.00
Cost incurred on issue of shares	-	(11.99)
Proceeds from borrowings (Non-current)	533.15	1,304.84
Repayment of borrowings (Non-current)	(470.94)	(1,990.41)
Net proceeds / (repayment) from borrowings (Current)	84.98	14.78
Dividends on equity share capital paid	(211.74)	(140.78)
Payment towards lease liability	(25.68)	(20.19)
Finance costs paid	(117.25)	(157.36)
Net cash used in financing activities	(207.28)	(251.11)
D EFFECT OF EXCHANGE RATE CHANGES	1.49	0.96
Net movement in cash and cash equivalents	312.19	21.85
Cash and cash equivalents at the beginning of the year	138.29	116.44
Cash and cash equivalents at the end of the year (Refer to note 14)	450.48	138.29

Consolidated Cash Flow Statement (CONTD.)

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Notes:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) -7 on "Statement of Cash Flows"
- During the year, the Company paid in cash ₹ 21.75 crores (Previous year: ₹10.18 crores) towards corporate social responsibility (CSR) expenditure.
- For cash flow information of discontinued operations, Refer note 42 A
- The following table discloses changes in liabilities arising from historical activities including both cash and non cash changes.

Particulars	As at March 31, 2021	Cash flow from financing activities	Non-cash changes					As at March 31, 2022	
			Upfront fees amortised	Exchange fluctuation changes [#]	Finance cost [#]	Interim dividend declared	Lease liability recognised		Utilisation of securities premium
Equity share capital	60.26	0.20	-	-	-	-	-	236.98	297.44
Security Premium	736.25	-	-	-	-	-	-	(226.69)	509.56
Non current borrowings [^]	2,425.26	62.20	2.24	7.79	-	-	-	-	2,497.49
Current borrowings*	965.70	84.98	-	(8.82)	-	-	-	-	1,041.86
Interest accrued	5.79	(117.25)	-	-	115.93	-	-	-	4.47
Lease liability	77.63	(25.68)	-	-	8.69	-	55.20	-	115.84
Dividend	6.57	(211.74)	-	-	-	211.89	-	-	6.72
Total	4,277.46	(207.29)	2.24	(1.03)	124.62	211.89	55.20	10.29	4,473.38

Particulars	As at March 31, 2020	Cash flow from financing activities	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 borrowing [^]	3,091.38	(685.57)	4.34	15.11	-	-	-	-	2,425.26
Current borrowings*	955.44	14.78	-	(4.52)	-	-	-	-	965.70
Interest accrued	29.14	(157.36)	-	-	134.01	-	-	-	5.79
Lease liability	87.70	(20.19)	-	-	6.49	-	3.63	-	77.63
Dividend	6.04	(140.78)	-	-	-	141.31	-	-	6.57
Total	4,228.20	(251.11)	4.34	10.59	140.50	141.31	3.63	3.63	4,277.46

[^] including current maturities of long term borrowings

* excluding current maturity of long term borrowings

[#] including amount capitalized

Summary of significant accounting policies

1-3

See accompanying notes to the consolidated financial statements

4 to 47

As per our report of even date attached

For and on behalf of the Board of Directors

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

Chartered Accountants

ICAI Firm registration no.

101248W / W-100022

Kaushal Kishore

Partner

Membership No.: 090075

Place: Gurugram

Date: May 27, 2022

Ashish Bharat Ram

Chairman and Managing

Director

DIN - 00671567

Place: Gurugram

Date: May 09, 2022

Kartik Bharat Ram

Joint Managing Director

DIN - 00008557

Place: Gurugram

Date: May 09, 2022

Bharti Gupta Ramola

Director

DIN - 00356188

Place: Gurugram

Date: May 09, 2022

Rahul Jain

President & CFO

Place: Gurugram

Date: May 09, 2022

Rajat Lakanpal

Vice President

(Corporate Compliance)

and Company Secretary

Place: Gurugram

Date: May 09, 2022

Consolidated Statement of Changes In Equity

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at March 31, 2020	58.50
Changes in equity share capital during the year	1.76
Balance at March 31, 2021	60.26
Changes in equity share capital during the year	237.18
Balance at March 31, 2022	297.44

(b) Other Equity

Particulars	Reserves and Surplus*					Items of other comprehensive income*					Total	
	Capital reserve	General reserve	Capital redemption reserve	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, 2020	193.77	573.77	10.48	75.00	-	1.56	4,117.69	(14.67)	(4.22)	(78.56)	-	4,874.82
Profit for the year	-	-	-	-	-	-	1,197.94	-	-	-	-	1,197.94
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	1.84	36.44	-	86.09	3.13	127.50
Total comprehensive income for the year	-	-	-	-	-	-	1,199.78	36.44	-	86.09	3.13	1,325.44
Payment of dividend ^	-	-	-	-	-	-	(141.31)	-	-	-	-	(141.31)
Transfer from Debenture redemption reserve	-	75.00	-	(75.00)	-	-	-	-	-	-	-	-
Transfer to Debenture redemption reserve	-	-	-	62.50	-	-	(62.50)	-	-	-	-	-
Employee share based payments to employees	-	-	-	-	-	0.96	-	-	-	-	-	0.96
Premium on issue of equity shares (net of issue expenses) ^	-	-	-	-	736.25	-	-	-	-	-	-	736.25
Balance at March 31, 2021	193.77	648.77	10.48	62.50	736.25	2.52	5,113.66	21.77	(4.22)	7.53	3.13	6,796.16
Profit for the year	-	-	-	-	-	-	1,888.92	-	-	-	-	1,888.92
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(4.92)	1.30	-	26.96	(2.62)	20.72
Total comprehensive income for the year	-	-	-	-	-	-	1,884.00	1.30	-	26.96	(2.62)	1,909.64
Payment of dividend ^	-	-	-	-	-	-	(211.89)	-	-	-	-	(211.89)
Tax on Dividend	-	-	-	-	-	-	-	-	-	-	-	-
Employee share based payment expense	-	-	-	-	-	10.93	-	-	-	-	-	10.93
Recognised / (released) on vesting of shares issued under employee share purchase scheme	-	-	-	-	10.29	(10.23)	-	-	-	-	-	0.06
Utilisation on issue of bonus equity shares	-	-	-	-	(236.98)	-	-	-	-	-	-	(236.98)
Balance at March 31, 2022	193.77	648.77	10.48	62.50	509.56	3.22	6,785.77	23.07	(4.22)	34.49	0.51	8,267.92

* Refer note 17

^ Refer note 16.1

Summary of significant accounting policies

1-3

See accompanying notes to the consolidated financial statements

4 to 47

As per our report of even date attached

For and on behalf of the Board of Directors

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

Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore

Partner
Membership No.: 090075
Place: Gurugram
Date: May 27, 2022

Ashish Bharat Ram

Chairman and Managing Director
DIN - 00671567
Place: Gurugram
Date: May 09, 2022

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Joint Managing Director
DIN - 00008557
Place: Gurugram
Date: May 09, 2022

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Director
DIN - 00356188
Place: Gurugram
Date: May 09, 2022

Rahul Jain

President & CFO
Place: Gurugram
Date: May 09, 2022

Rajat Lakhanpal

Vice President
(Corporate Compliance)
and Company Secretary
Place: Gurugram
Date: May 09, 2022

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

1 CORPORATE INFORMATION

SRF Limited ("the Company") is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's equity shares are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 and 237, Second Floor, Mayur Vihar Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110091. The Company's parent company is KAMA Holdings Limited.

The principal activities of the Company and its subsidiaries (together the Group) are manufacturing, purchase and sale of technical textiles, chemicals, packaging films and other polymers.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 09, 2022.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provisions of the Act.

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation
- Share based payments

The functional currency of the Company is 'INR'. The functional currencies of Group companies are USD, THB, ZAR and EURO. The financial statements are presented in INR and all values are rounded to the nearest crores, except when otherwise indicated.

The consolidated financial statements incorporate the financial statements of the holding group and its subsidiaries. Control is achieved when the group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the group gains control until the date when the group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Necessary adjustments are made in the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies if any.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to the consolidated financial statements

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The subsidiaries considered in the preparation of these consolidated financial statements are: -

Name of subsidiary	Country of incorporation	Proportion of ownership as at March 31, 2022	Proportion of ownership as at March 31, 2021
Indian Subsidiaries			
SRF Holiday Home Limited	India	100%	100%
SRF Altech Limited	India	100%	-
SRF Employees Welfare Trust (Controlled Trust)	India	*	*
Foreign Subsidiaries			
SRF Global BV	Netherlands	100%	100%
SRF Europe Kft (100% subsidiary of SRF Global BV)	Hungary	100%	100%
SRF Industries (Thailand) Limited (100% subsidiary of SRF Global BV)	Thailand	100%	100%
SRF Industex Belting (Pty) Limited (100% subsidiary of SRF Global BV)	Republic of South Africa	100%	100%
SRF Flexipak (South Africa) (Pty) Limited (100% subsidiary of SRF Global BV)	Republic of South Africa	100%	100%

* By virtue of management control

The group owns 22.60% (Previous year – 22.60%) in Malanpur Captive Power Limited and the same has not been considered for the purposes of consolidation, since the group does not exercise significant influence over Malanpur Captive Power Limited.

The group owns 26.32% (Previous year – 26.32%) in Vaayu Renewable Energy (Tapti) Private Limited and the same has not been considered for the purposes of consolidation, since the group does not exercise significant influence over Vaayu Renewable Energy (Tapti) Private Limited.

The principal accounting policies are set out below.

2.2 Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The group classifies all other liabilities as non-current.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the group has identified twelve months as its operating cycle for the purpose of current / non current classification of assets and liabilities.

2.3 Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

All items of property plant and equipment have been measured at fair value at the date of transition to Ind AS. The Group have opted such fair valuation as deemed cost at the transition date i.e. April 1, 2015.

Cost of acquisition or construction is inclusive of freight, duties, non recoverable taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets, upto the date of commissioning of the assets

Likewise, when a major inspection for faults is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items of property, plant and equipment and depreciated accordingly.

Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Capital Work in Progress: Project under which assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the group intends to use these for more than a period of 12 months.

2.4 Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation has been provided on the cost of assets less their residual values on straight line method on the basis of estimated useful life of assets determined by the Group which are different from the useful life as prescribed in Schedule II of the 2013 Act. The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. and are as under:

Roads	40-50 years
Buildings (including temporary structures)	5-60 years
Plant and equipment	2-40 years
Furniture and fixtures	3-20 years
Office equipment	3-20 years
Vehicles	4-5 years

Freehold land is not depreciated.

Depreciation is calculated on a pro rata basis except, assets costing upto ₹ 5,000 each, which are fully depreciated in the year of purchase.

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An item of property, plant and equipment or any significant part initially recognised of such item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives considered are as follows:

Trademarks / Brand	10-30 years
Technical Knowhow	30-40 years
Software	3-5 years
Other intangibles	2.5-12 years

The group has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2015 measured as per

the previous GAAP and use that carrying value as its deemed cost as of transition date.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised on disposal or when no future economic benefit are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.6 Research and development expenditure

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes.

Such development costs are capitalised if they can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses, if

Notes to the consolidated financial statements

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any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

2.7 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.8 Impairment of tangible and intangible assets other than goodwill

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual

impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognised when the carrying amount of an asset or CGU exceeds its recoverable amount. In such cases, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast, which are prepared separately for each of the group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 5 years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after 5th year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

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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.

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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

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reported using the exchange rate at the date of transaction. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to exchange differences arising from cash flow hedges to the extent that the hedges are effective and those covered below.

- (ii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016

Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance useful life of the assets.

- (iii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016

The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is treated in accordance with Ind AS 21/ Ind AS 109. Refer point (i) above.

2.12 Inventories

Inventories are valued at cost or net realisable value, whichever is lower. The basis of determining the cost for various categories of inventory are as follows:

- (a) Raw materials, packing material and stores and spares including fuel - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The aforesaid items are valued below cost if the finished

products in which they are to be incorporated are expected to be sold at a loss.

- (b) Traded goods, Stock in progress and finished goods- Direct cost plus appropriate share of overheads.

- (c) By products - At estimated realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Provisions, contingent liabilities and contingent assets

Provisions

The group recognised a provision when there is a present obligation (legal or constructive) as a result of past events and it is more likely than not that an outflow of resources would be required to settle the obligation and a reliable estimate can be made.

When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the

Notes to the consolidated financial statements

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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

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be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss account i.e. in Other comprehensive income or equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the group has a legally enforceable right for such set off.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets

are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax relating to items recognised outside profit or loss is recognised in other comprehensive income or in equity.

Deferred tax assets/liabilities are not recognised for below mentioned temporary differences:

- (i) At the time of initial recognition of goodwill;
- (ii) Initial recognition of assets or liabilities (other than in a business combination) at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- (iii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the group will pay normal income tax. Accordingly, MAT asset is recognised in the consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the group.

The group considers whether it is probable that a taxation authority will accept an

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uncertain tax treatment. If the group concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the group determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. However, if the group concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the group reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

2.16 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

A government grant that becomes receivable as compensation for expenses or losses incurred in a previous period. Such a grant is recognised in profit or loss of the period in which it becomes receivable.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the group recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants related to assets are presented in the consolidated balance sheet as deferred income and is recognised in profit or loss on a systematic basis over the expected useful life of the related assets.

2.17 Employee benefits

Short term employee benefits

Wages and salaries including non monetary benefits that are expected to be settled within the operating cycle after the end of the period

in which the related services are rendered are measured at the undiscounted amount expected to be paid

Defined contribution plans

Provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund, National pension scheme and Employees' State Insurance Corporation are defined contribution schemes. Contributions to such schemes are charged to the statement of profit and loss in the year when employees have rendered services entitling them to the contributions. The group has no obligation, other than the contribution payable to such schemes.

Defined benefit plans

The group has defined benefit plan such as gratuity, provident fund for certain category of employees administered through a recognised provident fund trust and legal severance plans.

Provision for gratuity, provident fund for certain category of employees administered through a recognised provident fund trust and legal severance plans are determined on an actuarial basis at the end of the year and charged to consolidated statement of profit and loss, other than remeasurements. The cost of providing these benefits is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability and return on plan assets), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to consolidated statement of profit and loss in subsequent periods.

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Other long term employee benefits

The group also has other long term benefits plan such as compensated absences and retention pay. Provision for compensated absences and long term retention pay are determined on an actuarial basis at the end of the year and charged to consolidated Statement of Profit and Loss. The cost of providing these benefits is determined using the projected unit credit method.

Share based payments

Equity settled share based payments to employees under SRF Long Term Share Based Incentive Plan (SRF LTIP) are measured at the fair value (which is the market price less exercise price) of the equity instruments on the grant date. This compensation cost relating to employee stock purchase scheme is amortised over the remaining tenure over which the employees renders their service on a straight line basis.

2.18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity

and a financial liability or equity instrument of another entity.

A) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the group are classified in three categories:

- At amortised cost
- At fair value through profit and loss (FVTPL)
- At fair value through other comprehensive income (FVTOCI)

Financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the consolidated

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statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets not classified as measured at amortised cost or FVOCI as are measured at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income.

The group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the group has transferred substantially all the risks and rewards of the asset, or (ii) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained. Any gain or loss on derecognition is recognised in profit or loss.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

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When the group has retained substantially all the risks and rewards of ownership of the transferred asset, the group continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received.

Impairment of financial assets

The group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

B) Financial liabilities and Equity instruments

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

The group's financial liabilities include borrowings and trade and other payables including derivative financial instruments.

Subsequent measurement

Borrowings

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction cost) and the redemption/repayment amount is recognised in profit and loss over the

period of the borrowings using the Effective interest rate method.

Trade and other payables

Trade and other payables represent the liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Equity Instruments

Equity Instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Debt or equity instruments issued by the group are classified as either financial liability or as equity in accordance with the substance of contractual arrangements and the definitions of a financial liabilities and an equity instruments.

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2.21 Derivative and Non Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The group uses derivative financial instruments (such as forward currency contracts, interest rate swaps and full currency swaps) or non derivative financial assets/liabilities to hedge its foreign currency risks and interest rate risks. The group has opted for "Hedge Accounting" for all its derivative as well as non-derivative financial instrument used for hedging. Accordingly, at the inception of the hedge the group formally designates a hedge relationship between the 'hedging instrument' and 'hedged item' which determines the initial recognition of the financial instrument as Fair Value Hedge or Cashflow hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. These financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit and loss when the hedge item affects profit and loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the consolidated statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in consolidated profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk

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in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the consolidated statement of profit and loss. In some cases, the group separates the premium element and the spot element of a forward contract and designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. In such cases, the changes in the fair value of the premium element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as 'cost of hedging'. The changes in the fair value of such premium element or foreign currency basis spread are reclassified to profit or loss as a reclassification adjustment on a straight-line basis over the period of the forward contract or the financial instrument.

The Group also designates certain non derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for the hedge of foreign currency risk associated with highly probable transactions and, accordingly, applies cash flow hedge accounting for such relationships.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, the hedge accounting will be discontinued prospectively. Any cumulative gain or loss previously recognised in other comprehensive income remains separately in

other equity if the forecast transaction or the foreign currency firm commitment is expected to occur else the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

2.22 Fair value measurement

The group measures some of its financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the

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fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.23 Foreign Currency translation reserve

On consolidation, the assets and liabilities of foreign operations are translated into Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to

that particular foreign operation is recognised in profit or loss.

2.24 Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

2.25 Dividend

The group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.26 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The appropriate level of management must be committed to a plan to sell, an active programme to locate a buyer and complete the plan has been initiated, the sale is considered highly probable and is expected within one year from the date of classification.

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Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other assets and liabilities in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit and loss.

2.27 Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

If consideration transferred is less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in

other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

2.28 Recent Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate

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directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes.

- Classification and lease term determination of leasing arrangement – Note 2.9
- Derecognition of trade receivables and hedge effectiveness- Note 2.20
- Fair value measurement of derivative instruments – Note 2.22
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.4
- Recognition and estimation of tax expense including determination of applicable tax rate for measuring deferred tax balances– Note 2.15
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 2.17
- Assessment of impairment of financial assets and non-financial assets – Note 2.20 and Note 2.8
- Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 2.13

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4 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Cost								
Balance at March 31, 2020	382.94	74.22	836.28	6,082.10	29.01	64.30	41.70	7,510.55
Additions/adjustments	0.99	23.36	367.86	1,458.06	4.35	10.58	6.59	1,871.79
Disposals/adjustments	-	(0.45)	(6.29)	(24.63)	(0.32)	(2.44)	(3.99)	(38.12)
Effect of foreign currency exchange differences	3.37	1.13	15.79	51.63	0.34	0.70	0.01	72.97
Balance at March 31, 2021	387.30	98.26	1,213.64	7,567.16	33.38	73.14	44.31	9,417.19
Additions/adjustments	12.78	2.27	113.29	924.29	2.75	13.33	10.41	1,079.12
Disposals/adjustments	-	-	(5.84)	(60.90)	(0.54)	(3.92)	(4.85)	(76.05)
Effect of foreign currency exchange differences	(0.60)	(0.06)	(3.42)	(14.55)	0.03	0.07	(0.01)	(18.54)
Balance at March 31, 2022	399.48	100.47	1,317.67	8,416.00	35.62	82.62	49.86	10,401.72
Accumulated depreciation								
Balance at March 31, 2020	-	7.74	102.52	1,310.27	11.13	35.15	20.81	1,487.62
Depreciation expenses	-	2.14	29.68	377.63	2.42	7.55	7.36	426.78
Disposals/adjustments	-	-	(0.03)	(2.70)	(0.14)	(1.25)	(2.76)	(6.88)
Effect of foreign currency exchange differences	-	0.11	1.78	10.05	0.13	0.21	0.18	12.46
Balance at March 31, 2021	-	9.99	133.95	1,695.25	13.54	41.66	25.59	1,919.98
Depreciation expenses	-	2.47	34.93	427.66	2.61	9.12	7.85	484.64
Disposals/adjustments	-	-	(0.63)	(46.40)	(0.32)	(3.54)	(3.63)	(54.52)
Effect of foreign currency exchange differences	-	0.01	0.37	0.59	0.02	0.10	(0.01)	1.08
Balance at March 31, 2022	-	12.47	168.62	2,077.10	15.85	47.34	29.80	2,351.18
Net block								
Balance at March 31, 2021	387.30	88.27	1,079.69	5,871.91	19.84	31.48	18.72	7,497.21
Balance at March 31, 2022	399.48	88.00	1,149.05	6,338.90	19.77	35.28	20.06	8,050.54

Notes:

- Borrowing cost capitalised during the year ₹ 18.41 crores (Previous year: ₹13.07 Crores) with a capitalisation rate ranging from 0.40% to 3.55% (Previous year: 0.5% to 8.09%).
- The industrial freehold land measuring 32.41 acres at the group's plant in Gummidipoondi, Tamil Nadu had been acquired by the Company w.e.f. January 1, 2001 pursuant to a scheme of amalgamation sanctioned by the Hon'ble High court of Judicature at Madras and the Hon'ble High court of Delhi. Out of the said land, there is a dispute on a land parcel of 2.74 acres. Based on the legal documentation available, the management is of the view that the said dispute is not tenable.
- Capital expenditure incurred during the year includes ₹ 8.49 crores (Previous year - ₹ 13.46 crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 47 (a) below.
- Refer to note 18.1 for information on PPE pledged as security by the group. Additionally, non funded working capital facilities from banks amounting to ₹ 37.80 crores (previous year: 58.50) are secured by hypothecation of Captive Power Plant (CPP) and HFC134A plant situated at Dahej in state of Gujarat.
- Refer to note 47 (c) for additions/adjustments on account of exchange difference during the year.
- The group accounts for all capitalizations of property, plant and equipment through capital work in progress, and, therefore, the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted by additions in property, plant and equipment and intangible assets.
- Disposals during the current year include property, plant and equipment classified as assets held for sale. Refer note 42 C below.

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4.1 CAPITAL WORK-IN-PROGRESS (CWIP)

(i) Ageing of capital work-in-progress:

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress					
As at March 31, 2022	1,554.87	102.92	13.84	-	1,671.63
As at March 31, 2021	745.04	26.27	0.95	-	772.26

(ii) CWIP completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan:

	As at March 31, 2022			
	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress				
Chloromethanes plant	333.38	-	-	-
Augmentation of power and steam capacity	138.23	-	-	-
Others *	164.04	0.02	-	-
	635.65	0.02	-	-

	As at March 31, 2021			
	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress				
R22 facility	87.08	-	-	-
Dedicated facility for SS-04	52.05	-	-	-
Others *	143.29	1.40	-	-
	282.42	1.40	-	-

* Comprises projects not considered material at an individual level.

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5 GOODWILL

	Amount
Cost	
Balance at March 31,2020	4.12
Additions	-
Disposals	-
Balance at March 31, 2021	4.12
Additions	-
Disposals	-
Balance at March 31, 2022	4.12
Accumulated Impairment losses	
Balance at March 31,2020	3.50
Additions	-
Balance at March 31, 2021	3.50
Additions (Refer note 42 C)	0.62
Balance at March 31, 2022	4.12
Carrying Amount	
	As at
	March 31, 2022
	As at
	March 31, 2021
Industrial yarn unit	-
	0.62
	-
	0.62

The group had allocated goodwill to the above mentioned cash generating units and determined recoverable amount of this allocated goodwill using cash flow projections based on financial budget as approved by the directors of the Company.

6 OTHER INTANGIBLE ASSETS

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at March 31,2020	77.53	55.19	30.75	19.39	182.86
Additions / adjustments	-	-	4.19	-	4.19
Disposals/adjustments	-	-	-	-	-
Balance at March 31, 2021	77.53	55.19	34.94	19.39	187.05
Additions / adjustments *	-	-	5.37	9.79	15.16
Disposals/adjustments	(4.28)	-	(6.29)	-	(10.57)
Balance at March 31, 2022	73.25	55.19	34.02	29.18	191.64
Accumulated amortisation					
Balance at March 31,2020	16.76	5.95	25.19	18.50	66.40
Amortisation expenses	2.45	1.70	4.04	0.05	8.24
Effects of foreign currency exchange differences	-	-	0.04	-	0.04
Balance at March 31, 2021	19.21	7.65	29.27	18.55	74.68

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Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Amortisation expenses	2.45	1.70	3.90	0.11	8.16
Effects of foreign currency exchange differences	-	-	(0.03)	-	(0.03)
Disposals/adjustments	(4.28)	-	(6.29)	-	(10.57)
Balance at March 31, 2022	17.38	9.35	26.85	18.66	72.24
Carrying Amount					
Balance at March 31, 2021	58.32	47.54	5.67	0.84	112.37
Balance at March 31, 2022	55.87	45.84	7.17	10.52	119.40

Notes:

* "Other" intangible assets acquired through Business Combination (Refer note 46 below).

7 INVESTMENTS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Investment in equity instruments	4.16	4.16
	4.16	4.16
Aggregate book value of unquoted investments	4.16	4.16
Aggregate amount of impairment in value of investments	4.34	4.34
Current		
Investment in mutual funds	121.86	197.16
Investment in bonds/Debentures	194.88	215.36
	316.74	412.52
Aggregate book value and market value of quoted investments	194.88	215.36
Aggregate book value and market value of unquoted investments	121.86	197.16

7.1 Investment in equity instruments (at fair value through other comprehensive income)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	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

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7.2 Investment in mutual funds (at fair value through profit and loss)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Unquoted investments (Current)				
ICICI Prudential P1543 Saving Fund-Growth Plan	36,12,365	121.86	36,12,365	117.16
Axis Overnight Fund- Regular Growth Plan	-	-	2,76,009	30.00
SBI Liquid Fund L72SG Regular Growth Plan	-	-	1,56,109	50.00
		121.86		197.16

7.3 Investment in Bonds/Debentures (at fair value through profit and loss)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Quoted investments (Current)				
Debentures				
Non convertible debentures of Shriram Transport Finance Company Limited 2021 of ₹ 10,00,000 each	-	-	250	32.11
7.35% non convertible debentures of NIIF Infrastructure Finance Limited of ₹ 10,00,000 each	-	-	250	25.43
Non convertible debentures of Tata Capital Financial Services Limited of ₹ 10,00,000 each	-	-	30	3.56
9.50% non convertible debenture of Piramal Capital & Housing Finance Limited 2022 of ₹ 8,00,000 each	63	5.04	-	-
Bonds				
8.85% HDFC Bank Limited Perpetual Bonds 2022 of ₹ 10,00,000 each	500	50.08	500	51.00
8.99% Bank of Baroda Perpetual Bonds 2024 of ₹ 10,00,000 each	550	56.92	500	51.02
9.56% State Bank of India Perpetual Bonds 2023 of ₹ 10,00,000 each	500	52.33	500	52.24
8.50% State Bank of India Perpetual Bonds 2024 of ₹ 10,00,000 each	248	25.40	-	-
8.50% State Bank of India Perpetual Bonds 2025 of ₹ 10,00,000 each	50	5.11	-	-
		194.88		215.36

8 LOANS

(unsecured and considered good, unless otherwise stated)

	As at	As at
	March 31, 2022	March 31, 2021
Non-current		
Loans to employees	14.72	10.55
	14.72	10.55
Current		
Loans to employees	8.80	7.69
Others (other than related parties)		
- Considered good	-	3.52
- Credit impaired	2.74	2.74
Less: Provision for credit impaired loans	(2.74)	(2.74)
	8.80	11.21

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

9 DEFERRED TAX (NET)

The following is the analysis of deferred tax assets (liabilities) presented in balance sheet.

	As at	As at
	March 31, 2022	March 31, 2021
Deferred tax assets	107.26	331.70
Deferred tax liabilities	(773.12)	(699.72)
Deferred tax liabilities, net	(665.86)	(368.02)
Net Deferred tax assets after set off	11.60	18.14
Net Deferred tax liabilities after set off	677.46	386.16

The major components of deferred tax assets/(liabilities) arising on account of temporary differences are as follows:

2021-22	Opening balance	Recognised in statement of profit and loss		MAT Credit Entitlement utilised	Recognised in other comprehensive income	Foreign currency translation reserve for the year	Closing Balance
		Continuing operations	Discontinued operations				
Deferred tax assets							
Expenses deductible in future years	23.49	(2.27)	-	-	-	0.21	21.43
Provision for credit impaired loans / receivables	1.26	(0.44)	-	-	-	-	0.82
MAT Credit Entitlement	274.66	25.27	-	(241.48)	-	-	58.45
Unabsorbed carried forward losses	23.95	(4.92)	-	-	-	(0.62)	18.41
Others	8.34	(0.44)	-	-	-	0.25	8.15
	331.70	17.20	-	(241.48)	-	(0.16)	107.26
Deferred tax liabilities							
Property plant and equipment and intangible assets	(683.28)	(55.56)	-	-	-	(3.63)	(742.47)
Investment in mutual funds	(10.85)	(1.09)	-	-	-	-	(11.94)
Cash flow hedges	(4.28)	-	-	-	(13.47)	-	(17.75)
Others	(1.31)	0.35	-	-	-	-	(0.96)
	(699.72)	(56.30)	-	-	(13.47)	(3.63)	(773.12)
Total	(368.02)	(39.10)	-	(241.48)	(13.47)	(3.79)	(665.86)

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

2020-21	Opening balance	Recognised in statement of profit and loss		MAT Credit Entitlement utilised	Recognised in other comprehensive income	Foreign currency translation reserve for the year	Closing Balance
		Continuing operations	Discontinued operations				
Deferred tax assets							
Expenses deductible in future years	27.70	(6.01)	-	-	-	1.80	23.49
Provision for credit impaired loans / receivables	0.90	0.37	-	-	-	(0.01)	1.26
MAT Credit Entitlement	367.07	5.38	-	(97.79)	-	-	274.66
Cash flow hedges	42.29	-	-	-	(42.29)	-	-
Unabsorbed carried forward losses	22.98	(1.91)	2.42	-	-	0.46	23.95
Others	8.98	(1.40)	-	-	-	0.76	8.34
	469.92	(3.57)	2.42	(97.79)	(42.29)	3.01	331.70
Deferred tax liabilities							
Property plant and equipment and intangible assets	(617.02)	(54.82)	-	-	-	(11.44)	(683.28)
Investment in mutual funds	(7.95)	(2.90)	-	-	-	-	(10.85)
Cash flow hedges	-	-	-	-	(4.28)	-	(4.28)
Others	(6.19)	4.88	-	-	-	-	(1.31)
	(631.16)	(52.84)	-	-	(4.28)	(11.44)	(699.72)
Total	(161.24)	(56.41)	2.42	(97.79)	(46.57)	(8.43)	(368.02)

Notes:

- (i) At March 31, 2022, there was no recognised deferred tax liability (Previous year: Nil) for taxes that would be payable on the unremitted earnings of certain of the Company's subsidiaries. The Company has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.
- (ii) MAT credit entitlement of ₹ 74.02 Crores (previous year ₹ 74.02 Crores) expiring in the financial year ending March 31, 2035 is not recognised, due to expected timing of exercise of the option under section 115BAA of Income Tax Act, 1961.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

10 OTHER FINANCIAL ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	60.65	28.84
- Interest rate swaps used for hedging	0.36	-
Other financial assets carried at amortised cost		
- Security deposits		
Related parties (Refer note 35)	3.53	3.54
Other than related parties	30.12	32.35
- Government grant and claims recoverable	15.86	15.85
- Deposit accounts with maturity beyond twelve months	30.00	-
	140.52	80.58
Current		
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	3.64	4.39
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	60.52	56.70
- Interest rate swaps used for hedging	3.16	1.01
Other financial assets carried at amortised cost		
- Security deposits		
Other than related parties	2.59	-
- Insurance claim recoverable	1.09	0.33
- Government grant and claims recoverable	135.07	154.11
- Others	19.76	9.31
	225.83	225.85

11 OTHER ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Capital advances	214.17	229.30
Prepaid expenses	0.72	0.25
Cenvat/Service tax/Goods and Services Tax/ sales tax recoverable	18.05	14.43
Claims recoverable under Post EPCG scheme and others	0.12	0.12
Total other non-current assets	233.06	244.10
Current		
Prepaid expenses	17.22	11.97
Cenvat/Service tax/ Goods and Services Tax/ sales tax recoverable	135.25	103.02

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Export incentives recoverable	16.21	32.76
Deposits with customs and excise authorities	15.52	17.58
Advance to suppliers	124.11	99.61
Others	1.37	2.02
Total other current assets	309.68	266.96

12 INVENTORIES

(Valued at lower of cost and net realisable value)

	As at March 31, 2022	As at March 31, 2021
Raw material (including packing material)	1,058.18	683.36
Stock in progress	237.41	176.47
Finished goods	535.44	338.59
Stores and spares (including fuel)	280.05	263.08
Traded goods	27.39	4.32
	2,138.47	1,465.82
Goods-in-transit included above:		
Raw material (including packing material)	256.55	241.43
Finished goods	162.25	100.47
Stores and spares (including fuel)	2.51	1.06
Traded goods	9.62	0.33
	430.93	343.29

Notes

- The cost of inventories recognised as an expense includes ₹ 5.92 crores. (Previous year: ₹ 11.22 Crores) in respect of write-downs of inventory to net realisable value.
- Refer Note 18.1 for information on inventories pledged as security by the group.
- The method of valuation of inventory has been stated in note 2.12

13 TRADE RECEIVABLES

Current	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	1,792.45	1,274.56
Unsecured, credit impaired	3.45	5.03
Less: Provision for credit impaired receivables	(3.45)	(5.03)
	1,792.45	1,274.56

Notes

- The credit period generally allowed on sales varies, on a case to case basis, business to business and based on market conditions. Generally credit period allowed is upto 120 days.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

- Ageing of receivables:

Outstanding for following periods from due date of payment	As at March 31, 2022				Total
	Undisputed trade receivables - considered good	Undisputed trade receivables - credit impaired	Disputed trade receivables - considered good	Disputed trade receivables - credit impaired	
Not due	1,565.03	-	-	-	1,565.03
Less than 6 months	226.00	-	-	-	226.00
6 months- 1 year	1.42	0.08	-	-	1.50
1-2 Years	-	2.13	-	-	2.13
2-3 Years	-	-	-	-	-
More than 3 years	-	0.52	-	0.72	1.24
	1,792.45	2.73	-	0.72	1,795.90

Outstanding for following periods from due date of payment	As at March 31, 2021				Total
	Undisputed trade receivables - considered good	Undisputed trade receivables - credit impaired	Disputed trade receivables - considered good	Disputed trade receivables - credit impaired	
Not due	1,131.74	-	-	-	1,131.74
Less than 6 months	141.13	0.12	-	-	141.25
6 months- 1 year	0.98	0.09	-	-	1.07
1-2 Years	0.02	3.33	-	-	3.35
2-3 Years	-	0.18	-	-	0.18
More than 3 years	0.69	0.56	-	0.75	2.00
	1,274.56	4.28	-	0.75	1,279.59

- The group has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the group in the receivables as identified. Receivables sold as on March 31, 2022 are of ₹ 756.96 crores (Previous year: ₹ 369.12 Crores). The group has derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the group.
- During the previous year the group had sold, with recourse, trade receivables amounting to ₹ 47.15 Crores to a bank for cash proceeds. These trade receivables were not derecognised because the group retained substantially all of the risks and rewards, primarily credit risk. The amounts received on such transfer were recognised as a secured bank loan (Refer note 18).
- There is no customer who represents more than 10% (Previous year - Nil) of the total balances of trade receivables.
- Refer Note 18.1 for information on trade receivables pledged as security by the group.

14 CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
Current accounts	228.70	124.57
Exchange earners foreign currency (EEFC) accounts	20.97	12.83
Deposit accounts with maturity of three months or less*	200.00	0.09
Cash on hand	0.81	0.80
	450.48	138.29

* Refer to note 18.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

15 BANK BALANCES OTHER THAN ABOVE

	As at March 31, 2022	As at March 31, 2021
Earmarked balances		
- Margin money	1.95	1.95
- Unclaimed dividend accounts	6.72	6.57
Other deposit accounts		
- Deposit accounts with maturity beyond three months upto twelve months	0.20	135.19
	8.87	143.71

16 SHARE CAPITAL

	As at March 31, 2022	As at March 31, 2021
Authorised share capital:		
320,000,000 (Previous Year - 120,000,000) Equity shares of ₹ 10 each	320.00	120.00
1,000,000 (Previous Year - 1,000,000) Preference shares of ₹ 100 each	10.00	10.00
1,200,000 (Previous Year - 1,200,000) Cumulative Preferences shares of ₹ 50 each	6.00	6.00
Nil (Previous Year - 20,000,000) Cumulative Preferences shares of ₹ 100 each	-	200.00
	336.00	336.00

	As at March 31, 2022	As at March 31, 2021
Issued share capital:		
300,477,780 (Previous Year - 63,301,960) Equity Shares of ₹ 10 each	300.48	63.30
Subscribed capital:		
296,421,025 (Previous Year - 59,245,205) Equity Shares of ₹ 10 each fully paid up	296.42	59.24
Add: Forfeited shares - Amount originally paid up	1.02	1.02
	297.44	60.26

16.1 Fully paid equity shares

	Number of shares	Amount
Balance at March 31, 2020	5,74,80,500	57.48
Add: Movement during the year**	17,64,705	1.76
Balance at March 31, 2021	5,92,45,205	59.24
Add: Movement during the year * (Also refer note 37 on "Employee Share Based Payments")	23,71,75,820	237.18
Balance at March 31, 2022	29,64,21,025	296.42

There are no buy back of equity shares during the period of five years immediately preceding the reporting date.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Bonus shares issued during the five years preceding the reporting date

*During the current year, Company has issued and allotted 236,980,820 fully paid up Bonus Equity shares of ₹ 10 each in the ratio of 4:1 (i.e. 4 Bonus Equity shares for every 1 existing equity share of the Company) to the shareholders who held shares on October 14, 2021 (Record date).

** During the year ended March 31, 2021, the Company had issued 1,764,705 fully paid up equity shares equivalent to 3.07% of the existing paid up equity capital of the Company to Qualified Institutional Buyers in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. These shares were issued at an issue price of ₹ 4,250 per share (including securities premium of ₹ 4,240 per share) for an aggregate consideration of ₹ 750 Crores. The proceeds (net of share issue expenses of ₹ 11.99 Crores charged off against securities premium) have been utilised for repayment of borrowings.

Terms/ rights attached to equity shares:

The parent has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board may from time to time pay to the members, such interim dividends as appear to it to be justified by the profits of the company.

During the year ended March 31, 2022, first interim dividend of ₹ 12 per share (before issue of bonus shares) and second interim dividend of ₹ 4.75 per share (post issue of bonus shares) were recognised as distributions to equity shareholders, aggregating ₹ 211.89 Crores (Previous year: ₹ 24 per share before issue of bonus shares, aggregating ₹ 141.31 Crores).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.2 Details of equity shares held by the holding Company

	Number of fully paid ordinary shares
As at March 31, 2022	
KAMA Holdings Limited, the Holding Company	15,02,45,000
As at March 31, 2021	
KAMA Holdings Limited, the Holding Company	3,00,49,000

16.3 Details of equity shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid equity shares				
1. Kama Holdings Limited	15,02,45,000	50.69%	3,00,49,000	50.72%
2. Amansa Holding Private Limited	1,13,61,408	3.83%	33,73,411	5.69%

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

16.4 Details of equity shares held by Promoters

Name of Promoter	Number of fully paid equity shares held	% holding in that class of shares	% change during the year
As at March 31, 2022			
1. KAMA Holdings Limited	15,02,45,000	50.69%	400%*
2. Mr. Arun Bharat Ram	1,37,500	0.05%	400%*
As at March 31, 2021			
1. KAMA Holdings Limited	3,00,49,000	50.72%	-
2. Mr. Arun Bharat Ram	27,500	0.05%	-

* Also refer to note 16.1 above.

17 OTHER EQUITY

	As at March 31, 2022	As at March 31, 2021
General reserve	648.77	648.77
Retained earnings	6,785.77	5,113.66
Cash flow hedging reserve	34.49	7.53
Cost of hedging reserve	0.51	3.13
Capital redemption reserve	10.48	10.48
Capital reserve	193.77	193.77
Debenture redemption reserve	62.50	62.50
Foreign currency translation reserve	23.07	21.77
Reserve for equity instruments through other comprehensive income	(4.22)	(4.22)
Employee share based payment reserve	3.22	2.52
Securities premium	509.56	736.25
	8,267.92	6,796.16

17.1 General reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	648.77	573.77
Increase/(decrease) during the year	-	75.00
Balance at end of year	648.77	648.77

The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. Items included in general reserve will not be reclassified subsequently to profit and loss.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

17.2 Retained earnings

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	5,113.66	4,117.69
Profit for the year	1,888.92	1,197.94
Other comprehensive income arising from measurement of defined benefit obligation* (Refer note 36.2 (iv))	(4.92)	1.84
Payments of dividend on equity shares	(211.89)	(141.31)
Transfer to debenture redemption reserve	-	(62.50)
Balance at end of year	6,785.77	5,113.66

The amount that can be distributed as dividend by the parent to its equity shareholders is determined based on the separate financial statements of the parent company and also considering the requirements of the Companies Act, 2013.

* net of income tax of ₹ 2.55 crores. (Previous year: ₹ (0.84) crores)

17.3 Cash flow hedging reserve

(Refer note 40.3.1 (C))

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	7.53	(78.56)
Recognized/(released) during the year	39.99	132.33
Income tax related to above	(13.03)	(46.24)
Balance at end of year	34.49	7.53

The Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

17.4 Cost of hedging reserve

(Refer note 40.3.1 (C))

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	3.13	-
Recognized/(released) during the year	(2.17)	3.46
Income tax related to above	(0.45)	(0.33)
Balance at end of year	0.51	3.13

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in other comprehensive income and accounted for similarly to gains or losses in the cash flow hedging reserve.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

17.5 Capital redemption reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	10.48	10.48
Increase/(decrease) during the year	-	-
Balance at end of year	10.48	10.48

Capital Redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. The reserve is utilised in accordance with the provision of the Act.

17.6 Capital reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	193.77	193.77
Increase/(decrease) during the year	-	-
Balance at end of year	193.77	193.77

Capital reserve represents amounts received pursuant to Montreal Protocol Phase-out Programme of refrigerant gases.

17.7 Debenture redemption reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	62.50	75.00
Increase/(decrease) during the year	-	(75.00)
Transfer from retained earnings	-	62.50
Balance at end of year	62.50	62.50

The Company has issued non-convertible debentures. The Company had created debenture redemption reserve out of the profits of the company available for payment of dividend.

17.8 Reserve for equity instruments through other comprehensive income

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	(4.22)	(4.22)
Increase/(decrease) during the year	-	-
Balance at end of year	(4.22)	(4.22)

This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.

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(All amounts in ₹ Crores, unless otherwise stated)

17.9 Foreign currency translation reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	21.77	(14.67)
Exchange differences arising on translation of foreign operations	1.30	36.44
Balance at end of year	23.07	21.77

Exchange differences relating to translation of the results and net assets of the group's foreign operations from their functional currency in to group presentation currency (i.e. ₹) are recognized in Other Comprehensive Income and accumulated in foreign currency translation reserve. Exchange differences previously accumulated in foreign currency translation reserve in respect of foreign operations are reclassified to statement of profit and loss on disposal of foreign operation.

17.10 Employee share based payment reserve

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	2.52	1.56
Increase/(decrease) during the year	10.93	0.96
Released on vesting of shares issued under employee share purchase scheme	(10.23)	-
Balance at end of year	3.22	2.52

The group has allotted equity shares to certain employees under an employee share purchase scheme. The share based payment reserve is used to recognise the value of equity-settled share based payments provided to the such employees as part of their remuneration. Refer note 37 for further details of the scheme.

17.11 Securities premium

	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	736.25	-
Recognised on issue of equity shares	-	736.25
Utilisation on issue of bonus equity shares	(236.98)	-
Recognised on vesting of shares issued under employee share purchase scheme	10.29	-
Balance at end of year	509.56	736.25

Securities premium represents the amount received in excess of the face value upon issue of equity shares. The same may be, inter-alia, utilised for issue of fully paid bonus shares or for buy-back of equity shares by the Company, in accordance with the provisions of the Act. During the previous year, expenses amounting to ₹ 11.99 Crores incurred on issue of equity shares under Qualified Institutional Placement have been charged off against securities premium. (Refer note 16.1).

Notes to the consolidated financial statements

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(All amounts in ₹ Crores, unless otherwise stated)

18 BORROWINGS

	As at March 31, 2022	As at March 31, 2021
Non-current		
Secured		
2,500 Nos. (Previous Year: 2,500 Nos.), 3 Months T-Bill + 188 bps, Listed, Secured, Redeemable, Non-Convertible Debentures of the face value of ₹10 lakhs each * (Refer note 18.1.1)	250.00	250.00
Term Loans from banks*^ (Refer note 18.1.2)	2,106.42	1,978.95
Term Loans from others*(Refer note 18.1.3)	141.07	196.31
Less: Current maturities of long term borrowings	(744.19)	(460.25)
	1,753.30	1,965.01
Current		
Secured		
Cash credits from banks (Refer note 18.1.4.(iii))	1.90	0.44
Loans repayable on demand from banks (Refer note 18.1.4.(i) and (ii))	191.93	297.71
Bills discounted with banks (Refer note 18.1.4.(iv))	-	47.15
Current maturities of long term borrowings	744.19	460.25
	938.02	805.55
Unsecured		
Loans repayable on demand from banks	548.03	520.40
Commercial papers from banks and others #	300.00	100.00
	848.03	620.40
	1,786.05	1,425.95

* Above amount of borrowings are net of upfront fees paid ₹ 3.80 crores (Previous year: ₹ 5.02 Crores)

^ Out of a term loan of ₹ 227.91 Crores obtained towards the end of the current year, unutilised balance of ₹ 200 Crores as on March 31, 2022 has been temporarily invested in fixed deposit with a bank. There was no such loan/amount in the previous year.

The maximum amount due during the year is ₹ 500 crores (Previous year: ₹ 600 Crores)

There have been no defaults in repayment of principal and interest on borrowings during the reporting periods.

The quarterly returns or statements of current assets filed by the Company with the banks are in agreement with the books of account of the Company.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

18.1 Details of security of the secured loans:

Details of Loan	As at March 31, 2022#	As at March 31, 2021#	Security
1. 2,500 (Previous Year: 2,500), 3 Months T-Bill + 188 bps, Listed, Secured, Redeemable, Non-Convertible Debentures of the face value of 10 lakhs each*	250.00	250.00	Debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur in the State of Uttarakhand (other than moveable assets of Laminated Fabrics Business) and Dahej in the State of Gujarat (excluding certain assets).
Terms and conditions			
a) Redeemable at face value in one single instalment at the end of 2nd year from the date of allotment.			
b) Coupon is payable on a quarterly basis every year.			
2 (i) Term loan from Banks *	1,463.21	1,390.07	Moveable property (a)(i) Out of the loans as at 2(i), loans aggregating to ₹ 1,008.83 Crores (Previous Year – ₹ 1,099.30 Crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets). (a)(ii) Out of the loans as at 2(i), loans aggregating to ₹ 454.38 Crores (Previous Year – ₹ 290.77 Crores) are in the process of being secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets). Immoveable property (b)(i) Out of the loans as at 2(i) loans aggregating to ₹ 516.71 Crores (Previous Year – ₹ 849.30 Crores) are secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Details of Loan	As at March 31, 2022 [#]	As at March 31, 2021 [#]	Security
			(b)(ii) Out of the loans as at 2(b)(i) loans aggregating to ₹ 289.09 Crores (Previous Year – ₹ 400.99 Crores) are additionally secured by equitable Mortgage of Company's immovable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
			(b) (iii) Out of the loans as at 2(i), the term loans aggregating to Nil (Previous Year – ₹ 38.50 Crores) are to be further secured by equitable mortgage of Company's immovable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
(ii) Term loans from banks	412.98	428.88	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 loans from banks	233.70	163.79	Out of 2(iii), Term loan of ₹ 119.70 crores (previous year ₹ 163.79 crores) is secured by mortgage of existing plant and machinery, land and building and/or any construction in future of Packaging film Factory (SRF Industries (Thailand) Ltd) and ₹ 114.00 crores is to be charged against certain specific Plant and machinery of Packaging film Factory (SRF Industries (Thailand) Ltd).
3 (i) Term loans from Others	-	21.95	Term loan availed from International Finance Corporation, Washington is secured by continuing coverage mortgage bond over the land, special notarial bond and general notarial bond over the property of SRF Flexipak (South Africa) (Pty) Limited.
(ii) Term loans from Others	141.40	175.59	Loan of ₹ 141.40 Crores (Previous Year – ₹ 175.59 Crores) is secured by the hypothecation and equitable mortgage of Company's moveable and immovable properties at Dhar in the State of Madhya Pradesh.
4 (i) Loans repayable on demand from banks	158.30	233.38	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai (other than current assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh and Kashipur (other than current assets of Laminated Fabrics Business) in the State of Uttarakhand.
(ii) Loans repayable on demand from banks	33.63	64.33	Working capital facilities is secured by pledge of 85% of the share capital of SRF Europe Kft held by SRF Global BV and pledge over receivables arising out of trade agreements
(iii) Cash credit from banks	1.90	0.44	Working capital facilities availed by SRF Flexipak (South Africa) (Pty) Ltd. are secured by cession of debtors and limited cession and pledge of credit balances
(iv) Bills discounted with Banks	-	47.15	Secured against certain trade receivables of the Company. (Also Refer note 13 (iv))

* Such hypothecation in respect of Non convertible debentures mentioned in point no. 1 and hypothecation and equitable mortgage mentioned in point no 2 rank pari-passu inter se between term loans from banks / Non convertible debentures (both current year and previous year)

[#]Gross of upfront fees paid ₹ 3.80 Crores (Previous year - ₹ 5.02 Crores)

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

18.2 Terms of loans

As at March 31, 2022

NON CURRENT BORROWINGS

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2023	Up to March 31, 2024	Up to March 31, 2025	From 2026 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value in one Instalment at the end of second year	Floating rate at 5.63%	250.00	-	-	-
Term loans from banks	Half yearly instalment	Ranging from 1.23% to 2.35%	63.98	63.98	280.71	-
	Quarterly Instalment	Ranging from 0.41% to 5.85%	383.11	348.96	287.38	439.57
	Bullet payments	Ranging from 1.18% to 6.65%	15.00	-	227.19	-
Term loans from Others	Half year payments	Floating rate at 1.46%	40.38	40.38	40.38	20.27
			752.47	453.32	835.66	459.84

Amounts mentioned above are gross of upfront fees paid of ₹ 3.80 crores

CURRENT BORROWINGS

Short term borrowings are either payable in instalments within one year or repayable on demand. For short term borrowings, interest rates ranges from 0.26% to 7.50%

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2022	Up to March 31, 2023	Up to March 31, 2024	From 2024 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value in one Instalment at the end of second year	Floating rate at 5.23%	-	250.00	-	-
Term loan from banks	Half yearly instalment	Ranging from 1.23% to 7.85%	17.63	55.76	23.26	232.62
	Quarterly Instalment	Ranging from 0.41% to 6.25%	379.83	398.00	309.90	544.75
	Yearly payments	Floating rate at 7.25%	4.00	1.00	1.00	-
	Bullet payments	Fixed rate at 6.65%	-	15.00	-	-
Term loan from others	Half year payments	Ranging from 2.01% to 2.21%	60.95	39.00	39.00	58.58
			462.41	758.76	373.16	835.95

Amounts mentioned above are gross of upfront fees paid of ₹ 5.02 Crores.

CURRENT BORROWINGS

Short term borrowings are either payable in instalments within one year or repayable on demand. For short term borrowings, interest rates ranges from 0.30% to 7.50%

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Terms of repayment

- Rupee term loans from banks of ₹ 38.50 Crores prepaid in current year (Previous year: ₹ 38.50 Crores repayable in 3 half yearly instalments from August 2021).
- Rupee term loans from banks of ₹ 8.22 Crores is repayable in 2 quarterly instalments from June 2022 (Previous year: ₹ 24.66 Crores repayable in 6 quarterly instalments from June 2021)
- Rupee term loans from banks of ₹ 6.00 Crores prepaid in current year (Previous year: ₹ 6.00 Crores repayable in 3 annual instalments from December 2021).
- Redeemable non convertible debenture of ₹ 250.00 Crores is repayable in one bullet instalment in September 2022.(Previous year: ₹ 250 crores repayable in one bullet instalment in September 2022)
- Rupee term loans from banks of ₹ 203.13 Crores is repayable in 13 quarterly instalments from April 2022 (Previous year: ₹ 250 crores repayable in 16 quarterly instalments from July 2021).
- Foreign currency term loan from banks of ₹ 23.67 Crores is repayable in 1 quarterly instalment in June 2022 (Previous year: ₹ 114.30 Crores repayable in 5 quarterly instalments from June 2021).
- Foreign currency term loan from banks of ₹ 265.87 Crores is repayable in 12 quarterly instalments from May 2022 (Previous year: ₹ 361.33 Crores are repayable in 16 quarterly instalments from May 2021).
- Foreign currency term loan from banks of ₹ 94.66 Crores is repayable in 7 quarterly instalments from April 2022 (Previous year: ₹ 143.69 Crores are repayable in 11 quarterly instalments from April 2021).
- Foreign currency term loan from others of ₹ 141.40 Crores is repayable in 7 half yearly instalments from April 2022 (Previous year: ₹ 175.59 Crores are repayable in 9 half yearly instalments from April 2021).
- Foreign currency term loan from banks of ₹ 15.00 Crores is repayable in one bullet instalment in June 2022 (Previous year: ₹ 15.00 Crores is repayable in one bullet instalment in June 2022).
- Foreign currency term loan from banks of ₹ 109.29 Crores is repayable in 5 quarterly instalments from April 2022 (Previous year: ₹ 145.82 Crores are repayable in 9 quarterly instalments from April 2021)
- Foreign currency term loan from bank of ₹ 288.99 Crores is repayable in 4 half yearly instalments from September 2022 and then 12 monthly instalments from April 2024 onwards (Previous year: ₹ 290.77 Crores repayable in 5 half yearly instalments from March 2022 and then 12 monthly instalments from April 2024 onwards).
- Foreign currency term loan from bank of ₹ 227.19 Crores is repayable in one bullet instalment in March 2025 (Previous year: Nil)
- Foreign currency term loan from bank of ₹ 227.19 Crores is repayable in 17 quarterly instalments from March 2023 (Previous year: Nil)
- Foreign currency term loan from others of ₹ 21.95 Crores repaid in current year (Previous year: ₹ 21.95 Crores are repayable in 2 half yearly instalments from May 2021).
- Foreign currency term loan from bank of ₹ 412.98 Crores is repayable in 19 quarterly instalments from June 2022 (Previous year: ₹ 428.88 Crores are repayable in 20 quarterly instalments from March 2022).
- Foreign currency term loan from bank of ₹ 119.70 Crores is repayable in 6 half yearly instalments from September 2022 (Previous year: ₹ 163.79 Crores are repayable in 8 half yearly instalments from September 2021).
- Foreign currency term loan from bank of ₹ 114.00 Crores is repayable in 16 quarterly instalments from October 2022 (Previous year: Nil)

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

19 PROVISIONS

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Provision for employee benefits		
Provision for compensated absence (Refer note 36.3)	46.08	39.24
Provision for retention pay (Refer note 36.3)	0.17	0.17
Other employee benefits	5.33	4.14
	51.58	43.55
Current		
Provision for employee benefits		
Provision for compensated absence (Refer note 36.3)	7.38	8.68
	7.38	8.68

20 TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises [#]		
- Acceptances*	3.61	-
- Other than acceptances	52.37	33.37
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances*	410.27	139.97
- Other than acceptances	1,630.10	1,411.85
	2,096.35	1,585.19

[#] Refer to note 20.1

* Acceptances represents invoices discounted by vendors with banks

(i) Ageing of trade payables:

Outstanding for following periods from due date of payment	As at March 31, 2022				Total
	Dues of micro enterprises and small enterprises	Dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises	
Not due	55.98	1,743.01	-	-	1,798.99
Less than one year	-	97.11	-	-	97.11
1-2 Years	-	3.13	-	-	3.13
2-3 Years	-	-	-	-	-
More than 3 years	-	0.13	-	-	0.13
Unbilled dues	-	196.99	-	-	196.99
	55.98	2,040.37	-	-	2,096.35

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Outstanding for following periods from due date of payment	As at March 31, 2021				Total
	Dues of micro enterprises and small enterprises	Dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises	
Unbilled dues	-	144.40	-	-	144.40
Not due	33.37	1,287.92	-	-	1,321.29
Less than one year	-	113.78	-	-	113.78
1-2 Years	-	3.81	-	-	3.81
2-3 Years	-	-	-	-	-
More than 3 years	-	1.91	-	-	1.91
	33.37	1,551.82	-	-	1,585.19

20.1 Total outstanding dues of micro enterprises and small enterprises

Trade Payables include the following dues to micro and small enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) to the extent such parties have been identified from the available information.

	As at March 31, 2022	As at March 31, 2021
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount **	108.82	52.02
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED /settled	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues are actually paid, for the purpose of disallowance of a deductible expenditure	-	-

** including payable to micro enterprise and small enterprise included in other financial liabilities (refer note 21)

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

21 OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	0.33	-
- Interest rate swaps used for hedging	-	0.54
Payables to capital creditors		
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances*	153.53	-
	153.86	0.54

*Acceptances represent amount payable under letter of credit arrangements with the vendor/banks

	As at March 31, 2022	As at March 31, 2021
Current		
Interest accrued but not due on borrowings	4.47	5.79
Unpaid dividends [^]	6.72	6.57
Security deposits received	8.15	8.63
Payables to capital creditors		
- Total outstanding dues of micro enterprises and small enterprises [#]		
Acceptances*	10.56	-
Other than acceptances	42.28	18.65
- Total outstanding dues of creditors other than micro enterprises and small enterprises	276.66	349.46
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	5.03	-
Others	17.83	43.19
	371.70	432.29

[^] Amount will be credited to investor education and protection fund if not claimed within seven years from the date of declaration of dividend.

[#] Refer note 20.1

* Acceptances represent invoices discounted by vendors with banks.

22 TAX ASSETS AND LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Non - Current tax assets		
Advance tax (net of provision for tax)	21.31	33.74
Current tax liabilities		
Provision for tax (net of advance tax)	14.20	12.49

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

23 OTHER LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Non-current		
Deferred government grants *	39.56	42.77
	39.56	42.77
Current		
Contract liability (Refer note 41)	28.32	18.40
Statutory liabilities	60.95	38.07
Payable to gratuity trust (Refer note 36.2)	11.57	4.52
Deferred government grants*	1.77	-
Other payables	41.36	31.74
	143.97	92.73

* The group had received financial assistance in earlier year from:

- The Industrial Development Corporation of South Africa towards setting up of property, plant and equipment under a government program; and
- Ministry of Foreign Affair and Trade, Hungary under the governments' "Scheme for Investment Promotion" to promote investment and job creation.

The unamortised grant amount as on March 31, 2022 is ₹ 41.33 crores (Previous year: ₹ 42.77 crores).

24 REVENUE FROM OPERATIONS*

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products		
Manufactured goods	12,138.37	8,214.10
Traded goods	174.38	81.30
	12,312.75	8,295.40
Other operating revenues		
Claims	0.01	0.52
Export and other incentives	49.47	70.65
Scrap sales	48.11	29.98
Other operating income	23.32	3.49
	120.91	104.64
	12,433.66	8,400.04

Reconciliation of revenue from sale of products with the contracted price

	Year ended March 31, 2022	Year ended March 31, 2021
Contracted price	12,421.10	8,438.70
Less: Discounts, allowances and claims	(108.35)	(143.30)
Sale of products	12,312.75	8,295.40

* Refer Note 42 B

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

25 OTHER INCOME*

	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income		
- from customers	0.01	0.01
- on loans, deposits and investments	20.51	1.22
- on others	3.47	7.80
Net gain on sale/discarding of property, plant and equipment	2.90	0.39
Net gain on financial assets measured at fair value through profit and loss	7.06	25.45
Net foreign currency exchange fluctuation gains	72.71	11.86
Provision / liabilities no longer required written back	3.66	11.49
Other non-operating income	5.19	8.13
	115.51	66.35

* Refer Note 42 B

26.1 COST OF MATERIALS CONSUMED*

	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock of raw materials	683.36	512.59
Add: Purchases of raw materials	6,545.92	4,198.45
	7,229.28	4,711.04
Less: Closing stock of raw materials	1,058.18	683.36
Cost of materials consumed*	6,171.10	4,027.68

* Including packing material

26.2 PURCHASES OF STOCK IN TRADE*

	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of stock in trade ^	175.59	62.92
	175.59	62.92

* Refer Note 42 B

^ includes amount of ₹15.71 crores acquired through Business Combination (Refer note 46 below)

26.3 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE*

	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the end of the year:		
Stock-in-Process	237.41	176.47
Finished goods	535.44	338.59
Traded goods	27.39	4.32
	800.24	519.38

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Effect of changes in exchange currency rates		
Stock-in-Process	(0.46)	0.56
Finished goods	0.82	2.47
Traded goods	0.75	-
	1.11	3.03
Inventories at the beginning of the year:		
Stock-in-Process	176.47	156.45
Finished goods	338.59	281.24
Traded goods	4.32	7.02
	519.38	444.71
Net (increase) / decrease	(279.75)	(71.66)

* Refer Note 42 B

27 EMPLOYEE BENEFITS EXPENSE*

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages, including bonus	618.82	515.89
Contribution to provident and other funds	45.46	40.89
Workmen and staff welfare expenses	87.11	63.66
Share based payment expense (Refer note 37)	28.61	0.96
	780.00	621.40

* Refer Note 42 B

28 FINANCE COST

	Year ended March 31, 2022	Year ended March 31, 2021
Interest cost ^		
- Non-convertible debentures	13.23	12.27
- Term loans and others	61.74	99.46
- Lease liabilities	8.69	6.49
Other borrowing costs	17.86	14.95
Exchange differences regarded as an adjustment to borrowing costs	14.41	0.78
	115.93	133.95

^ pertains to liabilities measured at amortised cost.

* Refer Note 42 B

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

29 DEPRECIATION AND AMORTISATION EXPENSE*

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment	484.64	426.78
Amortisation of intangible assets	8.16	8.24
Depreciation of Right of use assets	24.43	18.06
	517.23	453.08

* Refer Note 42 B

30 OTHER EXPENSES*

	Year ended March 31, 2022	Year ended March 31, 2021
Credit impaired assets provided / written off	0.95	11.94
Labour production	70.63	52.44
Directors' sitting fees	0.66	0.29
Expenditure on corporate social responsibility**	19.06	12.88
Property, plant and equipment provided/ written off ^	11.48	1.37
Freight charges	547.78	302.06
Insurance	47.66	39.57
Power and fuel	1,135.56	717.34
Legal and professional charges	40.98	33.10
Rates and taxes	19.76	9.91
Rent***	30.36	17.92
Repairs and maintenance		
- Buildings	9.11	5.38
- Plant and machinery	201.53	162.42
- Other maintenance	43.23	37.34
Selling commission	35.73	26.83
Stores and spares consumed	81.80	66.54
Travelling and conveyance	12.48	5.84
Auditor remuneration# ****		
- Audit Fees	1.52	1.52
- For limited review of unaudited financial results	0.97	0.94
- For Corporate governance, consolidated financial statements and other certificates	0.10	0.22
- For tax audit	0.08	0.08
- Reimbursement of out of pocket expenses	0.15	0.08
Effluent disposal expenses	121.99	77.10
Miscellaneous expenses	49.95	43.26
	2,483.52	1,626.37

* Refer Note 42 B

** Refer to note- 47(d)

*** Refer to note- 43

including fees paid to auditors of subsidiary companies

^ including amount of ₹ 5.75 crores (previous year: Nil) recognised on fair valuation of assets classified as held for sale. Also Refer note 42 C.

**** Excluding fees Nil (Previous year: ₹ 0.43 Crore) for QIP related attestation and certification, netted off from securities premium.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

31 INCOME TAX RECOGNISED IN PROFIT AND LOSS

	Year ended March 31, 2022	Year ended March 31, 2021
Tax expense related to continuing operations	696.63	414.40
Tax expense related to discontinued operations	-	(2.42)
	696.63	411.98
(a) Tax expense related to continuing operations		
Current tax		
In relation to current year	657.53	357.97
Adjustment in relation to earlier years	-	0.02
	657.53	357.99
Deferred tax		
- MAT credit entitlement		
In relation to current year	-	-
Adjustment in relation to earlier years	(25.27)	(5.38)
	(25.27)	(5.38)
- Others		
In relation to current year	56.41	57.44
Adjustment in relation to earlier years	7.96	4.35
	64.37	61.79
(b) Tax expense related to discontinued operations		
Deferred tax		
- Others		
In relation to current year	-	(0.28)
Adjustment in relation to earlier years	-	(2.14)
	-	(2.42)

The income tax expenses for the year can be reconciled to the accounting profits as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax		
From continuing operations	2,585.55	1,612.65
From discontinued operations	-	(2.73)
Total Profit before tax	2,585.55	1,609.92
Income Tax Expenses @ 34.944% (Previous year @ 34.944%)	903.50	562.57
Effect of deductions (research and development, share issue expenses and deductions under Chapter - VIA of Income Tax Act)	(79.28)	(54.59)
Effect of expenses that are not deductible in determining taxable profits	13.28	5.48

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Effect of re-measurement of deferred tax balances / lower tax rate on certain temporary differences pursuant to Section 115BAA of Income tax act.	(21.59)	(22.73)
Effect of Nil tax/exemption of overseas subsidiaries	(34.13)	(40.05)
Effect of additional expenses deductible in subsidiaries	(6.89)	-
Effect of lower tax rates in overseas subsidiaries	(61.82)	(40.14)
Others	0.88	2.45
Income tax expenses recognised in profit and loss in relation to current year	713.94	412.99
Income tax expenses recognised in profit and loss in relation to earlier years (Refer note (ii) below)	(17.31)	(1.01)
Total Income tax expenses recognised in profit and loss	696.63	411.98

Notes:

- The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (2021: 34.944%) payable by corporate entities in India on taxable profits under the Indian tax law.
- Income tax in relation to earlier years includes tax credit of ₹ 15.42 Crores (Previous year: tax expense of ₹ 1.62 Crores) which is related to finalization and determination of deduction/allowance claimed for earlier years under Chapter-VIA of the Income-tax Act, 1961, for generation of power from captive power plants which is based on finalization of transfer pricing study /tax audit reports of the previous years.

32 INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Year ended March 31, 2022	Year ended March 31, 2021
Arising on income and expense recognised in other comprehensive income		
Net (gain)/ loss on designated portion of hedging instruments in cash flow hedges	(13.03)	(46.24)
Cost of hedging reserve	(0.45)	(0.33)
Remeasurement of defined benefit obligation	2.55	(0.84)
	(10.93)	(47.41)
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	(13.48)	(46.57)
Items that will not be reclassified to profit or loss	2.55	(0.84)
	(10.93)	(47.41)

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

33 CONTINGENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
a. Claims against the group not acknowledged as debts:		
Goods and Services tax, excise duty, custom duty and service tax *	8.39	23.11
Sales tax and entry tax **	19.17	20.38
Income Tax (Also refer note b (ii) and b (iii) below)***	22.26	3.74
Others****	11.27	13.19

* Amount deposited against contingent liability ₹ 1.23 Crores (Previous year: ₹ 1.79 Crores)

** Amount deposited against contingent liability ₹ 6.74 Crores (Previous year: ₹ 7.59 Crores)

*** Amount deposited against contingent liability ₹ 2.98 Crores (Previous year: ₹ 3.09 Crores)

**** Amount deposited against contingent liability ₹ 0.42 Crore (Previous year: ₹ 0.40 Crore)

***** Includes demand by Madhya Pradesh Paschim Kshetra Vidut Vitaran Company Ltd. (MPPKV Ltd) of ₹ 8.12 Crores (Previous year: ₹ 11.40 Crores).

All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on the results of the operations or financial position of the group.

- b. (i) The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax / goods and service tax amounting to ₹ 18.86 Crores (Previous year: ₹ 18.58 Crores) should not be levied. The Company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.
- (ii) The Company has received a notice for assessment year 2018-19 on April 13, 2022 on account of non deduction of TDS on foreign payments involving an amount of ₹ 14.34 Crores. Based on the facts of the case and Company's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.
- (iii) Besides the above, the Company has received final assessment orders for assessment years 2017-18 and 2018-19 on April 30, 2022 in which adjustments amounting to ₹ 277.31 Crores and ₹ 323.09 Crores respectively were made on account of transfer pricing adjustments, research and development expenditure and others etc. (in line with earlier years) and a demand of ₹ 1.20 Crores and ₹ 96.71 Crores respectively has been raised. The Company plans to file rectification application towards certain computation errors and for rest of the issues, appeal will be filed before Income Tax Appellate Tribunal. Based on the facts of the case and the management's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.
- c. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made.

Notes to the consolidated financial statements

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(All amounts in ₹ Crores, unless otherwise stated)

34 CAPITAL AND OTHER COMMITMENTS

	As at March 31, 2022	As at March 31, 2021
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	960.57	751.56
(ii) The group has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The group does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses which have not been provided for.		
(iii) Export obligation under advance license scheme on duty free import of specific raw materials, remaining outstanding is ₹ 721.78 crores (Previous year: ₹ 619.36 crores).		

35 RELATED PARTY TRANSACTIONS

35.1 Description of related parties under Ind AS- 24 " Related party disclosures "

Ultimate Holding Entity	Key management personnel (KMP) #
ABR Family Trust	Arun Bharat Ram** Ashish Bharat Ram
Holding Company	Kartik Bharat Ram
KAMA Holdings Limited	Tejpreet S Chopra Lakshman Lakshminarayan
Fellow subsidiaries #	Vellayan Subbiah
KAMA Realty (Delhi) Limited	Meenakshi Gopinath*
Shri Educare Limited	Pramod Gopaldas Gujarathi
SRF Transnational Holding Limited	Bharti Gupta Ramola Yash Gupta
Post employment benefit plans trust #	Puneet Yadu Dalmia
SRF Limited Officers Provident Fund Trust	
SRF Employees Gratuity Trust	
SRF Officers Gratuity Trust	
Relatives of KMP #	Enterprises over which KMP have significant influence #
Sushil Ramola	SRF Foundation
Murugappan Vellayan Subbiah	SRF Welfare Trust
	BLP Industry AI Private Limited
	Relatives of KMP of Holding Company #
	Nirmala Kothari

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

KMP of Holding Company #	Enterprises over which relative of KMP has control #
Ekta Maheshwari	
Jagdeep Singh Rikhy ***	Murugappa & Sons

Only with whom the Company had transactions during the year

* Upto August 31, 2021

** Upto March 31, 2022

*** From December 03, 2021

35.2 Transactions with related parties

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of property, plant & equipment and intangible assets to		
Fellow Subsidiaries	0.19	-
	0.19	-
Sale of goods to		
Enterprises over which KMP have significant influence	0.04	-
	0.04	-
Rent paid		
Fellow Subsidiaries	6.60	6.60
Key management personnel	0.26	0.27
Enterprises over which KMP have significant influence	0.27	0.27
	7.13	7.14
Reimbursement of expenses from		
Holding Company	0.01	0.01
Fellow Subsidiaries	0.04	0.05
	0.05	0.06
Receiving of Services from:		
Enterprises over which KMP have significant influence	0.19	0.07
	0.19	0.07
Deposits received back from		
Key management personnel	0.01	-
	0.01	-
Contribution for expenditure on corporate social responsibility		
Enterprises over which KMP have significant influence	21.38	9.18
	21.38	9.18
Contribution to post employment benefit plans		
Post employment benefit plans trust	30.20	35.41
	30.20	35.41

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Employee benefit obligations transferred to		
Holding Company	-	0.02
Fellow Subsidiaries	0.20	-
Enterprises over which KMP have significant influence	*	*
	0.20	0.02

* Amount in absolute Nil (Previous year: ₹ 25,962)

Equity dividend paid

Holding Company	107.43	72.12
Key management personnel	0.15	0.12
Relatives of KMP	0.11	0.07
KMP of Holding Company	^^	^^
Relatives of KMP of Holding Company	^	^
Enterprises over which relative of KMP has control	^^^	^^^
	107.69	72.31

^ Amount in absolute ₹ 358 (Previous year: ₹240)

^^ Amount in absolute ₹ 1,095 (Previous year: ₹ 168)

^^^ Amount in absolute ₹ 36,966 (Previous year: ₹ 24,618)

Bonus shares issued

Holding Company (No. of shares: 120,196,000; previous year: Nil)	-	-
Key management personnel (No. of shares:178,968; previous year: Nil)	-	-
Relatives of KMP (No. of shares: 110,388; previous year: Nil)	-	-
KMP of Holding Company (No. of shares: 76; previous year: Nil)	-	-
Relatives of KMP of Holding Company (No. of shares: 40; previous year: Nil)	-	-
Enterprises over which relative of KMP has control (No. of shares: 4,136; previous year: Nil)	-	-
	-	-

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

35.3 Outstanding Balances:

	Year ended March 31, 2022	Year ended March 31, 2021
Commission payable		
Key management personnel	18.90	12.84
	18.90	12.84
Receivable		
Post employment benefit plans trust	11.48	1.49
	11.48	1.49
Payable		
Post employment benefit plans trust	13.30	6.02
	13.30	6.02
Security deposits outstanding		
Fellow Subsidiaries	3.27	3.27
Key management personnel	0.12	0.13
Enterprises over which KMP have significant influence	0.14	0.14
	3.53	3.54

35.4 Key management personnel compensation

	Year ended March 31, 2022	Year ended March 31, 2021
Short-term benefits *	34.88	26.21
Post-employment benefits	2.15	1.44
Other long-term benefits	1.19	0.97
	38.22	28.62

* Includes sitting fees and commission paid/ payable to non executive directors

36 EMPLOYEE BENEFITS

36.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

Indian entities	Year ended March 31, 2022	Year ended March 31, 2021
Superannuation fund (Refer to note (i) below)	0.59	0.61
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	15.11	14.02
Employees' State Insurance Corporation	0.40	0.43
National Pension Scheme	1.71	1.34
	17.81	16.40

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Foreign subsidiaries	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to provident fund	1.47	1.21
Skill, development and Social Security Fund	4.87	3.10
Pension fund	1.63	1.53
	7.97	5.84

The expenses incurred on account of the above defined contribution plans have been included in Note 27 "Employee Benefits Expenses" under the head "Contribution to provident and other funds."

(i) Superannuation fund

The Company makes contributions to a Trust which in turn contributes to ICICI Prudential Life Insurance Company Limited. Apart from being covered under the Gratuity Plan described below, the employees of the Company also participate in a defined contribution superannuation plan maintained by the Company. The Company has no further obligations under the plan except making annual contributions based on a specified percentage of each covered employee's salary. From November 1, 2006, the Company provided an option to the employees to receive the said benefit as cash compensation along with salary in lieu of the superannuation benefit. Thus, no contribution is required to be made for the category of employees who opted to receive the benefit in cash.

(ii) Provident fund administered through Regional Provident Fund Commissioner

All employees are entitled to Provident Fund benefits as per the law. For certain category of employees the group administers the benefits through a recognized Provident Fund Trust. For other employees contributions are made to the Regional Provident Fund Commissioners. The Government mandates the annual yield to be provided to the employees on their corpus. This plan is considered as a Defined Contribution Plan. For the first category of employees (covered by the Trust), the group has an obligation to make good for the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government and these are considered as Defined Benefit Plans and are accounted for on the basis of an actuarial valuation.

36.2 Defined benefit plans

The group sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by separate funds which are legally separate from the group. These plans are:

- Gratuity
 - Provident fund for certain category of employees administered through a recognised provident fund trust
 - Legal Severance pay & Health care (Unfunded) as applicable with respect to foreign entities
- (i) **These plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.**

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(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, 2022		As at March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	7.16%	7.16%	6.69%	6.69%
Expected statutory interest rate	-	8.10%	-	8.50%
Salary increase	8.00%	-	7.00%	-
Retirement Age (years)	58.00	58.00	58.00	58.00
Mortality Rates	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Withdrawal rate				
Upto 30 years	20.00%	20.00%	20.00%	20.00%
31 to 44 years	7.00%	7.00%	7.00%	7.00%
Above 44 years	8.00%	8.00%	8.00%	8.00%

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2022	As at March 31, 2021
Discount Rate	3.18%	2.70%
Salary increase	6.35%	6.25%
In service mortality	TMO 2017	TMO 2017
Retirement Age	55	55
Withdrawal Rate		
- up to 20 years	16%	15%
- 21-30	16%	15%
- 31-40	7%	8%
- 41-50	3%	3%
- 51 onwards	2%	2%

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuations involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date.

The present value of defined benefit obligation and the related current service cost and past service cost were measured using projected unit credit method.

(iii) Amounts recognised in statement of profit and loss in respect of these benefit plans are as follows:

Indian entities	Year ended March 31, 2022		Year ended March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	9.09	7.73	8.03	6.75
Interest expenses (net of expected return on plan assets)	0.30	-	1.07	-
	9.39	7.73	9.10	6.75
Foreign subsidiaries	Legal Severance Pay (unfunded)			
	Year ended March 31, 2022		Year ended March 31, 2021	
Current/past Service cost		1.10		0.93
Net interest expenses		0.12		0.06
		1.22		0.99

The current service cost and the net interest expenses for the year are included in Note 27 "Employee Benefits Expenses" under the head Contribution to provident and other funds

(iv) Amount recognized in other comprehensive income:

Indian entities	Gratuity	
	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial (gain)/losses on plan assets	(0.31)	(5.84)
Actuarial (gain)/losses arising from changes in financial assumptions	3.71	0.49
Actuarial (gain)/losses arising from changes in experience adjustments	3.90	2.94
	7.30	(2.41)

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for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial (gain)/losses arising from changes in financial assumptions	(0.23)	(0.37)
Actuarial (gain)/losses arising from changes in experience adjustments and demographic assumption	0.40	0.10
	0.17	(0.27)

(v) The amount included in consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Indian entities	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	107.45	155.50	98.72	158.91
Fair value of plan assets	95.88	157.64	94.20	157.71
Surplus/ (Deficit)	(11.57)	2.14	(4.52)	(1.20)
Effect of asset ceiling, if any	-	(2.14)	-	-
Net assets / (liability)	(11.57)	-	(4.52)	(1.20)

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	5.33	4.14
Fair value of plan assets	-	-
Net asset / (liability)	(5.33)	(4.14)

(vi) Movements in the present value of defined benefit obligation are as follows:

Indian entities	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	98.72	158.91	85.78	137.01
Current Service Cost	9.09	7.73	8.03	6.75
Interest Cost	6.60	12.42	5.81	11.92
Actuarial (gain)/losses arising from changes in financial assumptions	3.71	-	0.49	-
Actuarial (gain)/losses arising from changes in experience adjustments	3.90	-	2.94	-
Benefits paid	(14.57)	(39.82)	(4.33)	(8.73)
Contribution by plan participants / employees	-	12.72	-	10.83
Settlement / transfer in	-	3.54	-	1.13
Closing defined benefit obligation	107.45	155.50	98.72	158.91

Notes to the consolidated financial statements

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(All amounts in ₹ Crores, unless otherwise stated)

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	4.14	3.99
Current Service Cost	1.10	0.93
Interest Cost	0.12	0.06
Actuarial (gain)/losses arising from changes in financial assumptions	(0.23)	(0.37)
Actuarial (gain)/losses arising from changes in experience adjustments and demographic assumption	0.40	0.10
Exchange difference on foreign plans	(0.10)	0.07
Benefits paid/Settled	(0.10)	(0.64)
Closing defined benefit obligation	5.33	4.14

(vii) Movements in the fair value of plan assets are as follows:

Indian entities	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	94.20	157.71	69.96	136.55
Return on plan assets (excluding amounts included in net interest expenses)	6.62	15.76	10.58	11.18
Contributions from employer	9.63	7.73	17.99	6.75
Contributions from plan participants	-	12.72	-	10.83
Benefits paid	(14.57)	(39.82)	(4.33)	(8.73)
Settlement/ transfer in	-	3.54	-	1.13
Closing fair value of plan assets	95.88	157.64	94.20	157.71

Gratuity:

Plan assets comprises primarily of investment in HDFC Group Unit Linked Plan fund. The average duration of the defined benefit obligation is 9.12 years (Previous year: 9.14 years). The Company expects to make a contribution of ₹ 10.58 Crores (Previous year: ₹ 8.76 Crores) to the defined benefit plans during the next financial year.

Provident fund:

The plan assets have been primarily invested in government securities and corporate bonds.

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(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

Indian entities	Year ended March 31, 2022		Year ended March 31, 2021	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Sensitivity analysis of gratuity				
Discount rate	(3.54)	3.77	(3.00)	3.20
Expected salary growth	3.72	(3.53)	3.17	(3.01)
Sensitivity analysis of Provident Fund	(0.01)	0.01	(0.01)	0.01

Foreign subsidiaries	Year ended March 31, 2022		Year ended March 31, 2021	
	1% increase	1% decrease	1% increase	1% decrease
Sensitivity analysis of Legal Severance Pay				
Discount rate	(0.54)	0.63	(0.44)	0.52
Expected salary growth	0.59	(0.51)	0.48	(0.42)

Sensitivity due to mortality and withdrawals are insignificant and hence ignored

36.3 Other long-term employee benefit

Amounts recognised in the statement of profit and loss in note 27 "Employee benefits expenses" under the head "Salaries and wages, including bonus"

	Year ended March 31, 2022	Year ended March 31, 2021
Long term retention pay (refer to note (i) below)	-	-
Compensated absences	12.26	11.57
	12.26	11.57

(i) Long Term Retention Pay

The group has a Long Term Retention Pay Plan which covers employees selected on the basis of their current band and their long term value to the Company. The incentive is payable in three year blocks subject to achievement of certain performance ratings. The Company also has a scheme for talent retention of certain identified employees under which an incentive is payable over a period of three years.

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37 EMPLOYEE SHARE BASED PAYMENTS

The Company has an Employee Share Purchase Scheme (SRF Long Term Share Based Incentive Plan) to provide equity settled share based payments to eligible employees. The expenses related to the grant of shares under the Scheme are accounted for on the basis of fair value of the share on the grant date (which is the market price of the Company's share on the date of grant less exercise price). The fair value so determined is expensed on a straight line basis over the remaining tenure over which the employees renders their services.

The movement of number of equity shares granted, their fair value and the share based payment expense recognised during the year are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Number of equity shares:		
(i) At the beginning of the year	60,000	60,000
(ii) Impact of bonus issue of shares (Refer to note 16.1)	2,40,000	-
(iii) Granted during the year *	1,95,000	-
(iv) Released during the year ^	(3,00,000)	-
(v) At the end of the year	1,95,000	60,000
Market price on the grant date (₹ per equity share)	2,126.05	-
Exercise price (₹ per equity share)	10.00	-
Fair value of share based payment (₹ per equity share)	2,116.05	-
Share based payment expense recognised during the year ^ **	28.61	0.96

* These shares have a lock in period up to November 30, 2022 and are pledged for a period up to October 31, 2026.

^ During the current year, the Nomination and Remuneration Committee based upon the recommendations of the management, released 300,000 equity shares from pledge, resulting into immediate vesting of these shares. As a result, an additional amount of ₹ 6.72 crores has been recognised in consolidated statement of profit and loss.

** Includes amount of ₹17.50 Crores (previous year -Nil) towards withholding tax on equity shares granted under the above scheme.

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38 SEGMENT REPORTING

Based on the guiding principles laid down in Indian Accounting Standard (Ind AS) - 108 "Segment Reporting", the Chairman and Managing Director of the Company is the Chief Operating Decision Maker (CODM) and for the purposes of resource allocation and assessment of segment performance, the business of the Group is segregated in the segments below:

- Technical Textiles business: includes nylon tyre cord fabric, belting fabric, polyester tyre cord fabric and industrial yarns and its research and development
- Chemicals business: includes refrigerant gases, industrial chemicals, speciality chemicals, fluorochemicals & allied products and its research and development.
- Packaging Film business: includes polyester films and polypropylene films.
- Others: include coated fabric, laminated fabric and other ancillary activities

Segment revenue, results and capital employed include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable.

In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments. These amounts relate to continuing operations, unless otherwise stated. (Refer to note 42 with regard to information in relation to discontinued operations).

b) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the consolidated balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

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(All amounts in ₹ Crores, unless otherwise stated)

A. Information about operating business segments

	Year ended March 31, 2022	Year ended March 31, 2021
Segment revenue		
a) Technical textiles business (TTB)		
- External sales	2,073.33	1,231.41
- Inter-segment sales	11.91	8.70
Total	2,085.24	1,240.11
b) Chemicals business (CB)		
- External sales	5,240.78	3,644.89
- Inter-segment sales	-	-
Total	5,240.78	3,644.89
c) Packaging films business (PFB)		
- External sales	4,779.21	3,291.72
- Inter-segment sales	-	-
Total	4,779.21	3,291.72
d) Others		
- External sales	340.34	232.02
- Inter-segment sales	-	-
Total	340.34	232.02
Total segment revenue	12,445.57	8,408.74
Less: Inter segment revenue	11.91	8.70
Revenue from operations	12,433.66	8,400.04
Add: Unallocable income	115.51	66.35
Total revenue	12,549.17	8,466.39
Segment profits		
Profit before interest and tax from each segment		
a) Technical textiles business (TTB)	471.43	176.90
b) Chemicals business (CB)	1,396.91	728.14
c) Packaging films business (PFB)	946.33	897.87
d) Others	20.35	25.59
Total segment results	2,835.02	1,828.50
Less: i) Interest and finance Charges	115.93	133.95
Less: ii) Other unallocable expenses net of income	133.54	81.90
Profit before tax from continuing operations	2,585.55	1,612.65
(Loss) / Profit before tax from discontinuing operations (Refer note 42)	-	(2.73)
Total Profit before tax	2,585.55	1,609.92

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for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Capital expenditure		
a) Technical textiles business (TTB)	63.43	77.90
b) Chemicals business (CB)	1,296.56	618.66
c) Packaging films business (PFB)	637.06	553.34
d) Others	1.66	1.92
e) Unallocated	8.38	3.13
Total	2,007.09	1,254.95
Depreciation and amortisation		
a) Technical textiles business (TTB)	39.97	35.41
b) Chemicals business (CB)	303.59	273.09
c) Packaging films business (PFB)	153.31	123.61
d) Others	7.53	8.06
e) Unallocated	12.83	12.91
Total	517.23	453.08
Segment assets and liabilities		
	As at March 31, 2022	As at March 31, 2021
Segment assets		
a) Technical textiles business (TTB)	1,818.01	1,582.16
b) Chemicals business (CB)	7,193.65	5,741.97
c) Packaging films business (PFB)	5,633.10	4,543.33
d) Others	174.94	171.97
Total	14,819.70	12,039.43
Unallocable assets	953.91	889.98
Assets classified as held for sale	3.00	-
Total assets	15,776.61	12,929.41
Segment Liabilities		
a) Technical textiles business (TTB)	416.95	337.14
b) Chemicals business (CB)	950.33	710.22
c) Packaging films business (PFB)	1,449.62	1,117.90
d) Others	37.02	32.85
Total	2,853.92	2,198.11
Unallocable Liabilities	4,357.33	3,874.88
Total Liabilities	7,211.25	6,072.99

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B. Information about geographical business segments

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations		
- India	5,259.57	3,640.40
- South Africa	603.51	475.37
- Singapore	43.14	5.47
- Germany	462.74	476.58
- USA	1,440.87	576.20
- Thailand	353.74	188.89
- Hungary	27.66	13.61
- Switzerland	827.37	687.75
- Belgium	528.32	635.51
- Others	2,886.74	1,700.26
	12,433.66	8,400.04

	Year ended March 31, 2022	Year ended March 31, 2021
Non current segment assets		
- Within India	7,938.51	6,505.08
- Outside India	2,391.47	2,338.23
	10,329.98	8,843.31

Non current segment assets includes property, plant and equipment, right of use assets, capital work in progress, intangible assets, Goodwill and other non current assets.

No single customer contributed 10% or more to the Group's revenue for both financial years 2021-22 and 2020-21.

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from major products		
a) Technical textiles business (TTB)		
Nylon tyre cord fabric/ Polyester tyre cord fabric / Belting fabric	1,880.90	1,122.94
Synthetic filament yarn including Industrial yarn /Twine	165.78	97.21
Waste/others	5.16	0.62
b) Chemicals business (CB)		
Speciality chemicals	3,100.32	2,389.39
Fluorochemicals, Refrigerant Gases and allied products	1,724.06	893.98
Industrial chemicals	350.65	311.00
Waste/others	0.01	0.74
c) Packaging films business (PFB)		
Packaging films	4,749.26	3,253.26
d) Others		
Coated fabric, laminated fabric and other ancillary activities	336.61	226.26
	12,312.75	8,295.40

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39 EARNINGS PER SHARE (EPS)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit attributable to equity holders of the group used in calculating basic earning per share and diluted earning per share:		
- From continuing operations	1,888.92	1,198.25
- From discontinued operations	-	(0.31)
- From continuing and discontinued operations	1,888.92	1,197.94
Weighted average number of equity shares of the company used in calculating basic earning per share and diluted earning per share (nos.)	29,63,06,696	29,52,63,898
Basic and diluted earnings per share of face value ₹10 each *		
- From continuing operations (₹)	63.75	40.58
- From discontinued operations (₹)	-	(0.01)
- From continuing and discontinued operations (₹)	63.75	40.57

Note:

During the current year, Company has issued and allotted 236,980,820 fully paid up Bonus Equity shares of ₹ 10 each in the ratio of 4:1 (i.e. 4 Bonus Equity shares for every 1 existing equity share of the Company) to the shareholders who held shares on October 14, 2021 (Record date). Accordingly, basic and diluted earnings per share has been calculated based on the weighted average number of shares outstanding in the current and previous year, as adjusted by issuance of bonus shares.

40 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

40.1 Capital Management

The group manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders by maintaining a reasonable balance between debt and equity. The capital structure of the group consists of net debt (borrowings net of cash and cash equivalents, deposits accounts with maturity beyond three months upto twelve months and current investments) and total equity of the group. The group is not subject to any externally imposed capital requirements. The group's management reviews the capital structure of the group on periodic basis. As part of its review, the management considers the cost of capital and risk associated with each class of capital. The group also evaluates its gearing measures using Net Debt Equity Ratio to arrive at an appropriate level of debt and accordingly evolves its capital structure.

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The following table provides the details of the debt and equity at the end of the reporting periods:

	As at March 31, 2022	As at March 31, 2021
Debt and lease liabilities	3,655.19	3,468.58
Less:		
Cash and cash equivalents	450.48	138.29
Deposits accounts with maturity beyond three months upto twelve months	0.20	135.19
Current investments	316.74	412.52
Net debt	2,887.77	2,782.58
Total equity	8,565.36	6,856.42
Net debt to equity ratio	0.34	0.41

40.2 Financial instruments by category

Financial assets	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Measured at amortised cost						
Trade Receivables		a	1,792.45	1,274.56	1,792.45	1,274.56
Cash and cash equivalents		a	450.48	138.29	450.48	138.29
Bank balances other than above		a	8.87	143.71	8.87	143.71
Loans		a,b	23.52	21.76	23.52	21.76
Other financial assets		a,b	238.02	215.49	238.02	215.49
			2,513.34	1,793.81	2,513.34	1,793.81
Measured at Fair value through profit and loss						
Investments in mutual funds and bonds/debentures	2	d	316.74	412.52	316.74	412.52
Derivative instruments	2	d	3.64	4.39	3.64	4.39
			320.38	416.91	320.38	416.91
Measured at Fair value through Other comprehensive income						
Investments in unquoted equity instruments	3	d	4.16	4.16	4.16	4.16
Derivative instruments	2	d	124.69	86.55	124.69	86.55
			128.85	90.71	128.85	90.71

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Financial liabilities	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Measured at amortised cost						
Borrowings		a,c	3,539.35	3,390.96	3,539.35	3,390.96
Trade payables		a	2,096.35	1,585.19	2,096.35	1,585.19
Other financial liabilities		a	520.20	432.29	520.20	432.29
			6,155.90	5,408.44	6,155.90	5,408.44
Measured at Fair value through other comprehensive income						
Derivative instruments	2	d	5.36	0.54	5.36	0.54
			5.36	0.54	5.36	0.54

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

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- Fair value of other long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.
- The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

There are no transfers between Level 1, Level 2 and Level 3 during the Year ended March 31, 2022 and March 31, 2021.

Level 1:

Quoted prices in the active market: This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2:

Valuation techniques with significant observable inputs: This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of over the counter (OTC) derivative contracts, open ended mutual funds and bonds/debentures.

Level 3:

Valuation techniques with significant unobservable inputs: This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined

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in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- Investments in mutual funds and bonds/debentures: Fair value is determined by reference to quotes from the financial institutions.
- Derivative contracts: The group has entered into various foreign currency contracts and interest rate swaps contracts to manage its exposure to fluctuations in foreign exchange rates and interest rate respectively. These financial exposures are managed in accordance with the group's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the authorized dealers banks and forward exchange rates at the balance sheet date.
- Unquoted equity investments: Fair value is determined based of the recoverable value as per agreement with the investee.

Reconciliation of Level 3 fair value measurements	Unlisted equity instruments
As at March 31, 2020	4.16
Purchase of investment	-
As at March 31, 2021	4.16
Purchase of investment	-
As at March 31, 2022	4.16

Sensitivity of the fair value measurement to changes in unobservable inputs for financial instruments in Level 3 level of hierarchy is insignificant.

40.3 Financial Risk Management

The group is exposed to various financial risks arising from its underlying operations and finance activities. The group is primarily exposed to market risk (i.e. interest rate and foreign currency risk) and to credit risk and liquidity risk. The Group's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management within the group is governed by policies and guidelines approved by the senior management and the Board of Directors. These policies and guidelines cover interest rate risk, foreign currency risk, credit risk and liquidity risk. Group policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function within the group. Review of the financial risk is done on a monthly basis by the Managing Director and on a quarterly basis by the Board of Directors. The objective of financial risk management is to contain, where deemed appropriate, exposures

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on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the group's results and financial position.

In accordance with its financial risk management policies, the group manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. It is the group's policy and practice neither to enter into derivative transactions for speculative purpose, nor for any purpose unrelated to the underlying business. The Board of Directors / Managing Director reviews and approves policies for managing each of the above risks.

40.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The group enters into derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk.

A. Foreign Currency Risk Management

Foreign currency risk also known as Exchange Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign currency risk in the group is attributable to group's operating activities, investing activities and financing activities.

In the operating activities, the group's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). In compliance with the Board approved policy, the Group manages the net exposure on a rolling 12 month basis and for exposures between 12 to 36 months, hedging is done based on specific exposure. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the group are mainly in U.S. Dollar (USD), Euro (EUR), Japanese Yen (JPY) and British pound sterling (GBP). The group's exposure to foreign currency changes for all other currencies is not material.

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in ₹ are as follows:

	Assets		Liabilities	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD	983.61	824.27	2,346.96	1,946.21
EUR	283.94	257.67	846.24	1,124.86
JPY	-	-	6.33	11.28
GBP	21.56	10.96	0.01	13.12

Foreign currency sensitivity analysis

The group is mainly exposed to changes in USD, EURO, JPY and GBP exchange rates.

The following table details the group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated

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monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) *				
USD	5.02	(5.02)	5.73	(5.73)
EUR	1.87	(1.87)	3.60	(3.60)
JPY	0.06	(0.06)	0.11	(0.11)
GBP	(0.22)	0.22	0.02	(0.02)

* Includes sensitivity on long-term foreign currency monetary items on which Para D13 AA of Ind AS 101 has been applied. Accordingly, the exchange loss/ (gain) arising on long term foreign currency monetary items relating to acquisition of depreciable assets will be added to/deducted from the cost of such assets/capital work-in-progress and will be depreciated over the balance useful life of assets.

	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on equity (Other Comprehensive Income)				
USD	8.62	(8.62)	5.49	(5.49)
EUR	3.75	(3.75)	5.08	(5.08)

Foreign exchange derivative and non-derivative financial instruments

The group uses derivative as well as non derivative financial instruments for hedging financial risks that arise from its commercial business or financing activities. The group's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within 1 to 36 months for hedges of forecasted sales, purchases, loans and liabilities and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

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The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contracts*	No of Deals		Contract Value of Foreign Currency (In Millions)		Maturity			
					Up to 12 months Nominal Amount* (₹ Crores)		More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD/INR Sell forward	362	264	735.50	513.25	2,821.04	2,029.40	3,095.66	1,998.63
EUR/INR sell forward	1	17	20.00	40.50	-	181.53	202.77	202.77
USD/THB Buy forward	-	20	-	18.48	-	129.98	-	-
EUR/USD Buy forward	-	20	-	15.67	-	135.55	-	-
EUR/THB Buy forward	6	-	18.00	-	149.41	-	9.26	-

* Computed using average forward contract rates

The following table details the group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in forward rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2022		Year ended March 31, 2021	
	Functional currency strengthens by 1%	Functional currency weakens by 1%	Functional currency strengthens by 1%	Functional currency weakens by 1%
Impact on profit / (loss) for the year				
USD	1.83	(1.83)	1.76	(1.76)
EUR	-	-	0.34	(0.34)
Impact on equity (Other Comprehensive Income)				
USD	56.31	(56.31)	36.47	(36.47)
EUR	3.34	(3.34)	2.05	(2.05)

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B. Interest Rate Risk Management

Interest rate risk arises from movements in interest rates which could have effects on the group's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

The group manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings. The group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed principal amount outstanding at the time of inception of the swap. Out of the total long term borrowings, the amount of fixed interest loan is ₹ 938.35 Crores and floating interest loan is ₹ 1,562.94 Crores (Previous year: Fixed interest loan ₹ 898.62 Crores and Floating interest loan ₹ 1,531.65 Crores).

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate long term borrowings, as follows:

	Year ended March 31, 2022		Year ended March 31, 2021	
	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %
Increase in profit before tax by	1.29	1.96	2.85	1.44

In case of increase in interest rate by above mentioned percentage, there would be a comparable negative impact on the profit before tax as mentioned above.

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The group has exposures to USD-LIBOR and EUR-IBOR on its financial instruments. The group has renegotiated all working capital facilities agreements and have moved to new benchmarks, wherever IBOR reforms had mandated.

As per the IBOR reform regulations, USD LIBOR based contracts entered into on or before December 31, 2021 are allowed to continue utilising the facility until the maturity date, provided such date is before June 30, 2023, the group has certain loans which falls under this category and accordingly, the management has taken a decision to continue on 1 Month / 3 Months / 6 Months LIBOR.

All the EUR denominated long term loans of the Group are linked to EURIBOR and thus not impacted by IBOR reforms.

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The group have two loans (USD LIBOR benchmark linked) which are maturing after June 2023 and the management has planned to migrate these loans to Secured Overnight Financing Rate (SOFR) benchmark prior to June 2023, along with IRS contract, if any. The management does not envisage any significant impact on the consolidated financial statements due to the migration.

Interest Rate Swap Contracts

Under interest rate swap (IRS) contracts, the group agrees to exchange the difference between fixed and floating rate interest amounts calculated on the agreed notional principal amounts. Such contracts enables the group to mitigate the risk of changing interest rates.

The following table details the IRS contracts outstanding at the end of the reporting period:

Outstanding Contracts	No of Deals		Contract Value of Foreign Currency (In Millions)		Maturity			
					Up to 12 months Nominal Amount* (₹ Crores)		More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
IRS Contracts*	4	4	20.28	31.05	90.76	85.49	62.79	141.68

Each of the above trades are in the nature of cash flow hedges and are effective hedges. The mark to market on these trades is therefore routed through Cash flow Hedge Reserve. The interest rate swap and the interest payments on the loan are paid simultaneously and are charged to statement of profit and loss.

* Sensitivity on the above IRS contracts in respect of interest rate exposure is insignificant

C. Hedge accounting

Cash flow hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2022		Year ended March 31, 2022		As at March 31, 2021		Year ended March 31, 2021	
	Nominal amount (₹ Crores)	Carrying amount where the Line item where the Assets / hedging (liabilities) instrument is included (₹ Crores)	Change in the value of the hedging instrument recognised in OCI (₹ Crores)	Nominal amount (₹ Crores)	Carrying amount where the Line item where the Assets / hedging (liabilities) instrument is included (₹ Crores)	Change in the value of the hedging instrument recognised in OCI (₹ Crores)	Nominal amount (₹ Crores)	Change in the value of the hedging instrument recognised in OCI (₹ Crores)
Foreign exchange contracts	6,091.63	121.17 Other financial assets (current and non-current) (5.36) Other financial liabilities (current and non-current)	35.63 (5.36)	4,462.65	85.54 Other financial assets (current and non-current) - Other financial liabilities (current and non-current)	151.16 -		

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Hedging instruments	As at March 31, 2022		Year ended March 31, 2022		As at March 31, 2021		Year ended March 31, 2021	
	Nominal amount (₹ Crores)	Carrying amount where the Line item where the Assets / hedging (liabilities) instrument is included (₹ Crores)	Change in the value of the hedging instrument recognised in OCI (₹ Crores)	Nominal amount (₹ Crores)	Carrying amount where the Line item where the Assets / hedging (liabilities) instrument is included (₹ Crores)	Change in the value of the hedging instrument recognised in OCI (₹ Crores)	Nominal amount (₹ Crores)	Change in the value of the hedging instrument recognised in OCI (₹ Crores)
Foreign currency denominated loans	1,236.86	(1,236.86) Non-current/current borrowings	8.20	1,055.91	(1,055.91) Non-current borrowing	(1.27)		
Interest rate swap contacts	153.55	3.52 Other financial assets (current and non-current) - Other financial liabilities (current and non-current)	2.51 0.54	227.17	1.01 Other financial assets (current and non-current) (0.54) Other financial liabilities (current and non-current)	1.88		

Fair Value hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2022		Year ended March 31, 2022		As at March 31, 2021		Year ended March 31, 2021	
	Nominal amount (₹ Crores)	Carrying amount where the Line item where the Assets / hedging (liabilities) instrument is included (₹ Crores)	Change in the value of the hedging instrument recognised in consolidated statement of Profit and loss	Nominal amount (₹ Crores)	Carrying amount where the Line item where the Assets / hedging (liabilities) instrument is included (₹ Crores)	Change in the value of the hedging instrument recognised in consolidated statement of Profit and loss (₹ Crores)	Nominal amount (₹ Crores)	Change in the value of the hedging instrument recognised in consolidated statement of Profit and loss (₹ Crores)
Foreign exchange contracts	186.51	3.64 Other financial assets / liabilities (current and non-current)	(0.75)	215.21	4.39 Other financial assets / liabilities (Current and Non-current)	6.89		

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Movement of cash flow hedging reserve and cost of hedging reserve:

Particulars	Cash flow hedging reserve		Cost of hedging reserve	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Opening Balance	7.53	(78.56)	3.13	-
Changes in the spot element of the forward contracts which is designated as hedging instruments for time period related hedge	(3.12)	8.59	-	-
Changes in the forward element of the forward contracts where changes in spot element of forward contract is designated as hedging instruments for time period related hedges	-	-	19.31	7.74
Changes in fair value of forward contracts designated as hedging instruments	28.77	130.71	-	-
Changes in fair value of interest rate swaps	3.05	2.89	-	-
Amount reclassified to Profit or Loss (Foreign exchange (gain) / loss)	16.54	3.12	(21.48)	(4.28)
Amount arising from remeasurement of financial liability	(5.25)	(12.98)	-	-
Taxes related to above	(13.03)	(46.24)	(0.45)	(0.33)
Closing Balance	34.49	7.53	0.51	3.13

40.3.2 Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables, loans and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Investments of surplus funds are made only with counterparties who meet the parameters specified in Investment Policy of the groups. The investment policy is reviewed by the group's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as to minimize the concentration of risks and therefore mitigate financial loss due to counterparty's potential failure.

Expected credit loss on financial assets:

To manage credit risk for trade receivables, the group establishes credit approvals and credit limits, periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

With regard to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on these financial assets other than as detailed below.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Loss allowance for the following financial assets have been recognised by the Group:

	Note No.	As at March 31, 2022	As at March 31, 2021
Loans - current	8	2.74	2.74
Trade receivables	13	3.45	5.03
		6.19	7.77

Movement of loss allowance:

	Loans (current and non current)	Trade receivables
As at March 31, 2020	2.74	3.61
Provided during the year	0.24	11.70
Reversed / utilised during the year	(0.24)	(10.28)
As at March 31, 2021	2.74	5.03
Provided during the year	0.17	0.78
Reversed / utilised during the year	(0.17)	(2.35)
As at March 31, 2022	2.74	3.45

Other than financial assets mentioned above, none of the group's financial assets are impaired, as there are no indications that defaults in payments obligation would occur.

40.3.3 Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the group to meet its financial obligations. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of money market instruments, bank overdrafts, bank loans, debentures and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director, Chief Financial Officer and Treasury Head. The group assesses the concentration of risk with respect to refinancing its debt, guarantee given and funding of its capital expenditure according to needs of the future. The group manages its liquidity by holding appropriate volumes of liquid assets which are available for its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyse the group's financial liabilities into relevant maturity profiles based on their contractual maturities:

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2022				
Borrowings*	1,819.30	1,783.41	-	3,602.71
Lease Liabilities**	28.63	84.50	59.52	172.65
Trade payables	2,096.35	-	-	2,096.35
Other financial liabilities	371.70	153.86	-	525.56
	4,315.98	2,021.77	59.52	6,397.27

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2021				
Borrowings*	1,477.41	1,806.11	214.67	3,498.19
Lease Liabilities**	19.30	53.85	53.68	126.83
Trade payables	1,585.19	-	-	1,585.19
Other financial liabilities	432.29	0.54	-	432.83
	3,514.19	1,860.50	268.35	5,643.04

* including future cash outflow towards estimated interest on non-current borrowings.

** including future cash outflow towards estimated interest on lease liabilities.

41 Contract balances

The following table provides information about contract liabilities from contracts with customers

Contract liability	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	18.40	12.68
Revenue recognised that was included in the contract liability balance at the beginning of the period	(18.40)	(12.68)
Increase due to cash received, excluding the amount recognised as revenue during the period	28.32	18.40
	28.32	18.40

42 Non-current assets held for sale and Discontinued operation

A Technical Textiles Business of SRF Industries(Thailand) Limited

(a) Description

SRF Industries(Thailand) Limited closed its Technical Textiles Business operations located at Rayong, Thailand w.e.f. October 21, 2019. The business was reported as part of Technical Textiles Business as per requirements of Ind AS 108 – “Operating Segments” in the consolidated financial statements. The financial information of the said business have been classified as Discontinued Operations as per requirements of INDAS 105 - “Non-current assets held for sale and discontinued operations”. The particulars of said discontinued operations are as under:

(b) Financial performance and cash flow information

S.no.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
I	(a) Sale of Products	-	-
	(b) Other operating Revenues	-	2.26
	(c) Total revenue from operations {I(a)+I(b)}	-	2.26
	(d) Other income	-	6.22
	(e) Total income {I(c)+I(d)}	-	8.48
	(f) Total expenses excluding point no.(g)	-	11.21

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

S.no.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	(g) Impact on account of fair value measurement loss / (gain) on assets/liabilities	-	-
	(h) Profit / (loss) before tax from discontinued operations {I(e)-I(f)-I(g)}	-	(2.73)
	(i) Tax expense / (gain) related to discontinued operations	-	(2.42)
II	Net Profit / (loss) after tax from discontinued operations {1(h)-I(i)}	-	(0.31)
III	Net cash generated from operating activities	-	(1.64)
IV	Net cash generated from investing activities	-	17.91
V	Net cash used in financing activities	-	(0.06)

B. Pursuant to requirements of Ind AS 105, the amounts in the consolidated statement of profit and loss (and related notes) for the previous year have been presented for continuing operations, as applicable unless otherwise stated.

C. Assets classified as held for sale

(a) Description:

During the current year, the management has decided to dispose off inoperative assets related to Industrial Yarn Unit. Accordingly, these assets have been classified as assets held for sale in terms of Ind AS 105- “Non-current assets held for sale and discontinued operations” and recognised at their estimated fair value. Till previous year, these assets were reported under “Technical textiles business segment” in accordance with the requirements of Ind AS 108 – “Operating Segments” in the consolidated financial statements.

(b) Assets classified as held for sale:

	As at March 31, 2022	As at March 31, 2021
Property plant and equipment	3.00	-

(c) Loss recognised on:

	Year ended March 31, 2022	Year ended March 31, 2021
(i) Impairment of goodwill	0.62	-
(ii) Fair value of assets classified as held for sale	5.75	-

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

43 Leases

The group leases various types of assets including land, buildings and Plant & Machinery. Information about leases for which the group is a lessee is presented below.

Right-of-use assets	Land *	Buildings	Plant & equipment	Total
Cost				
Balances at March 31, 2020	148.04	44.98	50.63	243.65
Additions/adjustments	3.25	2.13	1.86	7.24
Disposals	-	(0.86)	(2.60)	(3.46)
Balance at March 31, 2021	151.29	46.25	49.89	247.43
Additions/adjustments	4.88	(0.45)	58.59	63.02
Disposals	-	-	(8.20)	(8.20)
Balance at March 31, 2022	156.17	45.80	100.28	302.25
Accumulated depreciation				
Balances at March 31, 2020	0.87	6.76	8.44	16.07
Depreciation expenses	1.68	7.07	9.31	18.06
Disposals	-	(0.86)	(2.60)	(3.46)
Balances at March 31, 2021	2.55	12.97	15.15	30.67
Depreciation expenses	1.74	6.59	16.10	24.43
Disposals	-	-	(8.20)	(8.20)
Balance at March 31, 2022	4.29	19.56	23.05	46.90

Net block

Balances at March 31, 2021	148.74	33.28	34.74	216.76
Balances at March 31, 2022	151.88	26.24	77.23	255.35

* The execution of lease deed of land in respect of 1,165,437 square meters of leasehold land already allotted (out of a total of 1,181,776 square meters) to the Company is pending. As a process agreed with Gujarat Industrial Development Corporation (GIDC), the same will be executed once the entire / substantial portion of the above piece of land is allotted / handed over to the Company.

Lease liabilities included in the Balance Sheet	As at March 31, 2022	As at March 31, 2021
Current	20.66	13.80
Non-current	95.18	63.83

The average incremental borrowing rate applied to lease liabilities during the year ranges from 6.40% to 7.00% (Previous year: 6.50% to 8.00%)

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

Amounts recognised in Statement of Profit and Loss	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilities	8.69	6.49
Depreciation expense	24.43	18.06
Expenses relating to short-term leases and leases of low-value assets (Refer note 30)	30.36	17.92

Amounts recognised in Cash Flow Statement	Year ended March 31, 2022	Year ended March 31, 2021
Total cash outflow for leases	25.68	20.19

44 Group Information

Name	Principal activities	Country of incorporation	% equity interest	
			March 31, 2022	March 31, 2021
SRF Holiday Home Limited	Development and lease of Industrial, commercial and residential complexes	India	100%	100%
SRF Altech Limited	Manufacture of Aluminium films	India	100%	—
SRF Employees Welfare Trust (Controlled Trust)	Implementation and operationalisation of long term incentive plans of the Company	India	*	*
SRF Global BV	Investment company	Netherlands	100%	100%
SRF Flexipak (South Africa) (Pty) Limited (subsidiary of SRF Global BV)	Manufacture of BOPP and metallized BOPP films	Republic of South Africa	100%	100%
SRF EUROPE Kft (subsidiary of SRF Global BV)	Manufacture of Polyester film and metallized Polyester film	Hungary	100%	100%
SRF Industries (Thailand) Limited (subsidiary of SRF Global BV)	Manufacture of Tyre cord fabric, Polyester film and metallized Polyester film & trading of chemical products	Thailand	100%	100%
SRF Industex Belting (Pty) Limited (subsidiary of SRF Global BV)	Trading of packaging films and chemical products	Republic of South Africa	100%	100%

* By virtue of management control.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

45 Additional information as required by Paragraph 2 of General Instructions for preparation of consolidated financial statements to the Schedule III to the Companies Act, 2013

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ Crores)	As % of consolidated Share in profit or loss	Amount (₹ Crores)	As % of consolidated other comprehensive income	Amount (₹ Crores)	As % of total comprehensive income	Amount (₹ Crores)
I Parent - SRF Limited	89%	7,624.81	80%	1,507.01	112%	23.25	80%	1,530.26
II Subsidiaries:								
A Indian								
1 SRF Holiday Home Limited	-	3.75	-	0.01	-	-	-	0.01
2 SRF Altech Limited	-	2.72	-	(2.28)	-	-	-	(2.28)
3 SRF Employees Welfare Trust (Controlled Trust)	-	0.05	-	(0.01)	-	-	-	(0.01)
B. Foreign								
1 SRF Global BV (Consolidated)	12%	1,036.38	20%	383.42	(12)%	(2.53)	20%	380.89
Adjustments arising out of consolidation	(1)%	(102.35)	-	0.77	-	-	-	0.77
Total	100%	8,565.36	100%	1,888.92	100%	20.72	100%	1,909.64
Non-controlling Interests in all subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

46 Business Combinations

Effective March 04, 2022, one of subsidiaries (SRF Industex Belting (Pty) Limited) in the group acquired a business from an external party (Supratov Investments CC). The following assets were recognised as at the date of acquisition on the basis of provisional purchase price allocation.

Assets acquired	Amount
Inventories	15.71
Intangible assets (Customer Contracts)	9.79
Purchase Price	25.50

Based on the current available information, the management has identified the above mentioned assets and carried out initial account as per Ind AS 103, as the business has been acquired closer to year-end. The group is in the process of identifying additional intangibles, if any, and completing the registration process of property, plant and equipment (building). Any further adjustments, would be recognised once the accounting for business combination is complete.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

47 ADDITIONAL DISCLOSURES

(a) RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹116.99 crores (Previous Year - ₹ 110.50 crores) included in these financials statements are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
Capital expenditure	8.49	13.46
Revenue expenditure	108.50	97.04
	116.99	110.50

The details of revenue expenditure incurred on research and development is as below:

	Year ended March 31, 2022	Year ended March 31, 2021
Cost of material consumed	1.68	2.73
Salaries and wages, including Bonus	49.11	42.97
Contribution to provident and other funds	2.92	2.61
Workmen and staff welfare expenses	3.37	2.72
Stores and spares consumed	4.94	6.11
Power and fuel	7.94	4.84
Rent	0.26	-
Repairs and maintenance		
- Plant and machinery	10.63	8.32
- Others	0.85	0.58
Insurance	1.02	0.96
Rates and taxes	0.06	0.07
Travelling and conveyance	0.51	0.16
Legal and professional charges	4.12	3.58
Depreciation and amortisation expense	16.65	18.33
Interest cost	0.05	0.28
Miscellaneous expenses	4.39	2.78
	108.50	97.04

(b) MANAGERIAL REMUNERATION

	Year ended March 31, 2022	Year ended March 31, 2021
(i) (a) Remuneration to Chairman / Managing Director / Deputy Managing Director / Whole time Director		
Salary and contribution to provident and other funds	16.39	12.04
Value of perquisites	2.58	2.36
Commission	18.00	12.00
SUB-TOTAL	36.97	26.40

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
(b) Remuneration to Non Executive Directors		
Commission	0.90	0.84
Directors sitting fees	0.29	0.27
Other fees	0.06	0.14
SUB-TOTAL	1.25	1.25
TOTAL	38.22	27.65

- (c) The Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13 AA of Ind AS 101. Accordingly, exchange loss/ (gain) arising on all long term monetary items financed or re-financed on or before March 31, 2016 relating to acquisition of following depreciable assets are added to/ adjusted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of such assets.

Exchange loss/ (gain) added/ (adjusted)	Year ended March 31, 2022	Year ended March 31, 2021
Property, plant and equipment		
- Roads	0.11	(0.52)
- Buildings	1.52	(6.98)
- Plant and equipment	13.60	(31.59)
- Furniture and fixtures	0.04	(0.14)
- Office equipment	0.01	(0.01)
	15.28	(39.24)

The cumulative exchange loss/ (gain) added/ (adjusted) and remaining unamortised as at March 31, 2022 is ₹ 258.34 Crores (Previous year: ₹ 259.14 Crores).

- (d) **Disclosure on corporate social responsibility expense:**

	Year ended March 31, 2022	Year ended March 31, 2021
(i) Amount required to be spent by the company during the year	18.61	12.88
(ii) Amount of expenditure incurred	19.06*	10.18
(iii) Shortfall at the end of the year	-	2.7**
(iv) Total of previous years shortfall	-	-
(v) Reason of shortfall	-	Pertains to ongoing projects

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
(vi) Nature of CSR activities		School education, disaster management, environmental projects, Covid 19 Relief, Vocational skill and livelihoods projects and promotion of art and cultural projects
(vii) Details of related party transactions	21.38	9.18
(viii) Provision made with respect to a liability incurred by entering into a contractual obligation	-	-

** Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the unspent amount was subsequently deposited in a "Unspent CSR Account" and also utilised during the year ended March 31, 2022.

* This includes ₹ 18.68 crores pertaining to current year and ₹ 0.37 crores pertaining to previous year. In accordance with the above amended rules, the Company had taken credit for ₹ 0.37 crores for excess CSR expenditure incurred during financial year 2019-20 and adjusted the same towards the CSR obligation for financial year 2020-21. However, the Ministry of Corporate Affairs (MCA), through its circular dated August 25, 2021, clarified that the companies cannot set off excess CSR amount spent prior to financial year 2020-21. Accordingly, an amount of ₹ 0.37 crore has been transferred to one of the specified funds prescribed under Schedule VII to the Companies Act, 2013 before September 30, 2021.

- (e) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2022 is to be conducted on or before due date of the filing of return and the Company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

- (f) **OTHER STATUTORY INFORMATION**

- (i) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of subsidiaries incorporated in India, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) There are no funds which have been received by the Holding Company or any of subsidiaries incorporated in India, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the consolidated financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

(iii) The group does not have any transactions with companies which are struck off, except the following:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021	Relationship with the struck off company, if any
Jyotsna Engineers & Consultants Private Limited	Receivables	^	^	Vendor
Krishna Freeze Private Limited	Payables	0.01	0.01	Customer
Perfect Refcon & Tools Private Limited	Payables	0.01	0.01	Customer

^ Amount in absolute ₹ 2,000 (Previous year: ₹ 2,000)

(iv) The group does not have any benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.

(v) The group is not declared a wilful defaulter by any bank or financial institution or any other lender.

(vi) The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(vii) The group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(g) The figures for the previous year have been regrouped wherever necessary to comply with amendments in Schedule III of the Companies Act, 2013.

As per our report of even date attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration no.
101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075
Place: Gurugram
Date: May 27, 2022

Ashish Bharat Ram
Chairman and
Managing Director
DIN - 00671567
Place: Gurugram
Date: May 09, 2022

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557
Place: Gurugram
Date: May 09, 2022

Rahul Jain
President & CFO
Place: Gurugram
Date: May 09, 2022

Bharti Gupta Ramola
Director
DIN - 00356188
Place: Gurugram
Date: May 09, 2022

Rajat Lakhnupal
Vice President
(Corporate Compliance)
and Company Secretary
Place: Gurugram
Date: May 09, 2022

Statement pursuant to first proviso to sub section(3) of section 129 of Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in prescribed form AOC-1 relating to subsidiaries/associates companies/joint ventures

A Statement showing salient features of the financial statements of subsidiaries

Indian Subsidiaries

S. No.	Name of the subsidiary	SRF Holiday Home Limited (subsidiary of SRF Limited)		SRF Altech Limited (subsidiary of SRF Limited)	
		(₹ Crores)		(₹ Crores)	
(a)	Reporting Period	1 April 2021 to 31 March, 2022		1 April 2021 to 31 March, 2022	
(b)	Date since when subsidiary was acquired/formed	30.01.2008		15.03.2022	
(c)	Reporting Currency	INR		INR	
(d)	Exchange Rate	-		-	
(e)	Share Capital	4.00		5.00	
(f)	Reserves and Surplus	(0.25)		(2.28)	
(g)	Total Assets	3.78		2.72	
(h)	Total Liabilities	0.02		0.01	
(i)	Investment	-		-	
(j)	Turnover	-		-	
(k)	Profit/(Loss) Before Taxation	0.01		(2.76)	
(l)	Tax expense / (income)	-		(0.47)	
(m)	Profit/(Loss) After Taxation	0.01		(2.28)	
(n)	Proposed Dividend	-		-	
(o)	% of shareholding	100%		100%	

S. No.	Name of the subsidiary	SRF Global BV# (subsidiary of SRF Limited)		SRF Flexipak (South Africa) (Pty) Limited# (subsidiary of SRF Global BV)	
		USD	₹ Crores	Rand	₹ Crores
(a)	Reporting Period	1 April 2021 to 31 March, 2022		1 April 2021 to 31 March, 2022	
(b)	Date since when subsidiary was acquired/formed	20.10.2008		26.10.2011	
(c)	Reporting Currency	USD	₹ Crores	Rand	₹ Crores
(d)	Exchange Rate	75.73		5.22	
(e)	Share Capital	1,83,15,664	138.70	100	0.00
(f)	Reserves and Surplus	(2,42,53,897)	(183.67)	54,92,59,311	286.71
(g)	Total Assets	8,00,89,962	606.52	93,01,73,795	485.55
(h)	Total Liabilities	8,60,28,195	651.49	38,09,14,384	198.84
(i)	Investment	*	*	-	-
(j)	Turnover	-	-	1,21,82,56,227	635.93
(k)	Profit/(Loss) Before Taxation	(3,47,088)	(2.63)	31,51,60,169	164.51
(l)	Tax expense / (income)	-	-	8,60,57,017	44.92
(m)	Profit/(Loss) After Taxation	(3,47,088)	(2.63)	22,91,03,152	119.59
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

* Investment in subsidiary USD 1,42,79,669 (Equivalent to ₹ 108.14 crores)

S. No.	Name of the subsidiary	SRF Industries (Thailand) Limited# (subsidiary of SRF Global BV)		SRF Industex Belting (Pty) Limited# (subsidiary of SRF Global BV)	
		THB	₹ Crores	Rand	₹ Crores
		(a)	Reporting Period	1 April 2021 to 31 March, 2022	
(b)	Date since when subsidiary was acquired/formed	08.09.2008		13.06.2008	
(c)	Reporting Currency	THB	₹ Crores	Rand	₹ Crores
(d)	Exchange Rate	2.28		5.22	
(e)	Share Capital	20,00,00,300	45.60	1,33,20,202	6.95
(f)	Reserves and Surplus	3,10,05,96,284	706.94	(4,66,60,708)	(24.36)
(g)	Total Assets	8,04,89,03,897	1,835.15	10,66,76,650	55.69
(h)	Total Liabilities	4,74,83,07,313	1,082.61	14,00,17,156	73.09
(i)	Investment	-	-	-	-
(j)	Turnover	6,01,36,39,796	1,371.11	2,21,61,161	11.57
(k)	Profit/(Loss) Before Taxation	1,01,37,84,473	231.14	29,57,686	1.54
(l)	Tax expense / (income)	2,16,43,990	4.93	-	-
(m)	Profit/(Loss) After Taxation	99,21,40,483	226.21	29,57,686	1.54
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

S. No.	Name of the subsidiary	SRF Europe Kft# (subsidiary of SRF Global BV)	
		EURO	₹ Crores
		(a)	Reporting Period
(b)	Date since when subsidiary was acquired/formed	25.04.2018	
(c)	Reporting Currency	EURO	₹ Crores
(d)	Exchange Rate	84.07	
(e)	Share Capital	10,10,000	8.49
(f)	Reserves and Surplus	48,57,005	40.83
(g)	Total Assets	11,73,56,051	986.61
(h)	Total Liabilities(external liabilities)	11,14,89,046	937.29
(i)	Investment	-	-
(j)	Turnover	7,24,60,536	609.18
(k)	Profit/(Loss) Before Taxation	50,70,087	42.62
(l)	Tax expense / (income)	69,915	0.59
(m)	Profit/(Loss) After Taxation	50,00,172	42.04
(n)	Proposed Dividend	-	-
(o)	% of shareholding	100%	

The financial statements of these foreign subsidiaries have been converted into Indian Rupees on the basis of following exchange rates:

(i)	1 USD = ₹ 75.73
(ii)	1 Baht = ₹ 2.28
(iii)	1 Rand = ₹ 5.22
(iv)	1 Euro = ₹ 84.07

B Statement containing salient features of the financial statements of associates companies/ joint ventures

Name of Associate Companies/Joint Ventures #	Malanpur Captive Power Ltd.	Vaayu Renewable Energy(Tapti) Pvt. Ltd.
Latest audited Balance Sheet date	31.03.2021	31.03.2021
Share of Associate Companies held by the Company on the year end	4.22	0.05
Date on which the Associate was associated or acquired	09.01.2007	29.05.2013
Shares of associate held by the company on the year end		
Number of shares:	42,21,535	50,000
Amount of investment in Associate Companies	4.22	0.05
Extent of holding (%)	22.60%	26.32%
Description of how there is significant influence	Due to control of at least 20% of total share capital as envisaged in Sec. 2(6) of the Companies Act ,2013	Due to control of at least 20% of total share capital as envisaged in Sec. 2(6) of the Companies Act ,2013
Reason why the associate company is not consolidated	*	*
Net worth attributable to shareholding as per latest Audited Balance Sheet	(7.46)	11.60
Profit & loss for the year		
(i) Considered in Consolidation	Nil	Nil
(ii) Not considered in Consolidation	(0.35)	(0.70)

The company has no joint venture

* Investment in both these captive power companies are held by the company as a consumer in accordance with the requirements of the Electricity Act, 2005. The company does not exercise significant influence as defined under IND AS over these companies and therefore their annual accounts are not consolidated with the annual accounts of the company.

For and on behalf of the Board of Directors

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567
Place: Gurugram
Date: May 09, 2022

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557
Place: Gurugram
Date: May 09, 2022

Bharti Gupta Ramola
Director
DIN - 00356188
Place: Gurugram
Date: May 09, 2022

Rahul Jain
President & CFO
Place: Gurugram
Date: May 09, 2022

Rajat Laxhanpal
Vice President (Corporate Compliance) and
Company Secretary
Place: Gurugram
Date: May 09, 2022



Registered Office

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