2018-19

ANNUAL REPORT

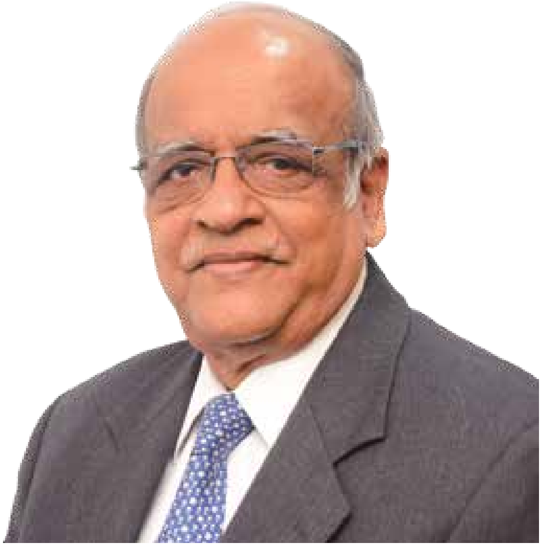
SRF

We always find a better way

DIVERSIFIED BUSINESS UNIFIED GROWTH

What's inside

Message from the Chairman



"Your Company performed well in FY19, which is largely due to our diversified business model, with all the core business segments delivering an encouraging operating and financial performance"

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you SRF's annual report 2018-19. It reflects an eventful year in which our employees once again showed great commitment in taking your Company to greater heights.

Diversified Business; Unified Growth

Your Company performed well in FY19, which is largely due to our diversified business model, with all the core business segments delivering an encouraging operating and financial performance in a fast-evolving and volatile global and domestic environment. Viewed from a financial lens, your Company achieved a 39% increase in profit after tax at ₹ 642 Crores compared to ₹ 462 Crores last year. Your Company's revenue for the year stood at ₹ 7,693 Crores as against ₹ 5,589 Crores in the previous year, recording a growth of 38%, which is very commendable. This has been possible due to the management's focus in the last few years to strengthen the Company's foothold through the strategic levers of operational efficiency, adoption of superior technology, the addition of appropriate value-added products to its portfolio and deeper market penetration.

In the year gone by, we realigned our businesses into four segments to enable a clear understanding of our core businesses. Consequently, the Coated and Laminated Fabrics Business and the Engineering Plastics Business were regrouped as Other Businesses and the erstwhile Chemicals and Polymers Business was renamed as Chemicals Business, which comprises Fluorochemicals and Specialty Chemicals Businesses.

Strong Fundamentals

In terms of business segments, the Chemicals Business delivered a healthy performance during the year. In the **Fluorochemicals Business**, our prudent investments in innovation and technology has made us one of the very few, fully backward integrated producers of Refrigerant Gases in the world, offering the widest portfolio of gases and value-added products to our customers. We continue to maintain a dominant position with the largest market share of refrigerants in the Indian market, while at the same time further increasing the penetration of our FLORON® brand of refrigerants in the overseas markets. The Chloromethanes plant at Dahej, which we commissioned in December 2017, is functioning at optimal level, leading to higher sales for the segment. During the year, we also launched a new product in the Indian market under the name, SUPERTRON AC Air Pure. This is a multipurpose product, which keeps the AC system clean and can be used in both car and room ACs. We have also started the commercial supplies of Dymel® F 134a/P, our propellant for asthma inhalers to domestic pharma customers from our cGMP USFDA facility at Dahej. Our site in Dahej has been awarded an EXCiPACT™ GMP for Pharmaceutical Excipient (2017) Certificate from SGS, one of EXCiPACT's internationally recognized certification bodies.

At SRF, we have a responsibility in creating a sustainable business environment and we continue our journey in finding new ways to adopt good sustainability practices. We are heartened to be recognized for this, with our Bhiwadi and Dahej sites having once again been granted the permission to use the Responsible Care Logo for a period of three years by the Indian Chemical Council (ICC). This underscores our commitment to excellent environmental, health, safety measures that we have in place at our facilities.

About the **Specialty Chemicals Business**, while the first six months in FY19 were tough, we are now witnessing a revival in the agro-chemicals space, with new product opportunities emerging in both the agro and pharma segments. Along with the revival in the industry, our committed investments in this business are already in place. These include a cGMP plant, a P32 plant, which is our first-ever, most complex Active Ingredients (AI) plant and a P34 plant, which was commissioned in record time, to seize any opportunities that the future may present.

Backed by our strong, differentiated technology play and our endeavor to introduce new products for the innovators of the world, we remain committed to enhancing our product offerings further within our business model. Consequently, we have filed one-hundred and seventy patents to date, of which thirty-three have been granted. I am also happy to share that our customers have appreciated these initiatives and we were honored with the 'Syngenta Supplier Award for Innovation' at the Syngenta Suppliers Meet, underlining our inherent strengths and capabilities.

In the **Packaging Films Business**, we continue being an 'Easy to do business with' partner by delivering excellence in manufacturing, efficiency in supply, and success in customer engagement. Our ongoing investment in our people and manufacturing sites in Thailand and Hungary will ensure we continue to deliver excellence to satisfy the packaging requirements of every customer. Sustainability and innovation are fundamental to our approach in new product development and this year we introduced multiple new products, which have increased our portfolio of value-added products and helped us deliver industry-leading margins. Across all of our operations, we are committed to maintaining a safe work environment and continue to garner accolades for our focus on superior operational performance. Our Indore SEZ facility was bestowed the Sword of Honour and 5-star rating for Occupational Health and Safety from the British Safety Council, which is a first-of-its-kind recognition in the Indian Packaging industry.

The **Technical Textiles Business** delivered a steady performance during the year despite a challenging operating environment. Our focus on increasing operational efficiency continues to be an ongoing process. With our investments in capacity augmentation across Tyre Cord Fabric and Belting Fabrics segments, we remain optimistic about the future performance of the Technical Textiles Business.

In May this year, we also signed a definite agreement to sell our Engineering Plastics Business. We view this as a strategic step towards focusing on our core businesses where we see larger growth opportunities emerging in the future.

Community Engagement

Concerning our community engagement, SRF Foundation and our employees continue to drive initiatives primarily in the areas of education, youth empowerment and natural resource management. SRF Foundation's flagship 'Rural Education Program' is marching on successfully. It now covers 269 schools with 78,714 students across 21 locations in nine Indian States. We have a responsibility that we accept and we are making progress in that direction with utmost sincerity.

Our Purpose and Shared Values

It gives me immense pleasure to share with you that this year your Company was conferred 'The Economic Times Family Business of the Year – Large Companies' Award. The esteemed jury selected SRF on the principles of strong performance and the presence of a stringent family governance framework. We are very proud to have established good governance as the baseline, grow high-potential executives and bring the right discipline to succession and integration processes. These principles unite us by a common sense of purpose and shared values.

The Board of Directors Welcomes New Members

SRF's Board of Directors appointed three new board members at its recent meeting. As the Chairman of the Board, I welcome Bharti Gupta Ramola, Puneet Yadu Dalmia, and Yash Gupta onto your Board. I am sure that their experience and knowledge will help take your Company to the next level.

Before I conclude, I would like to thank all employees of SRF, the management team and my colleagues on the Board for their hard work and strong commitment. I would also like to thank our customers and business partners for their loyalty and close ties. And, finally, I would like to thank you, our shareholders and investors, for placing your trust in SRF and for supporting us as we execute the next steps in our strategy, and focus resolutely on ensuring that SRF continues to stride ahead.

Sincerely,

Arun Bharat Ram
Chairman

Company Information

Board of Directors

Arun Bharat Ram
Chairman

Ashish Bharat Ram
Managing Director

Kartik Bharat Ram
Dy. Managing Director

Pramod G. Gujarathi
Director (Safety & Environment)

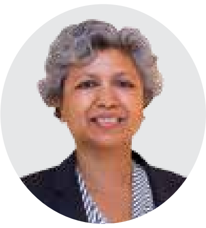
Dr. Meenakshi Gopinath
Director – CSR

Lakshman Lakshminarayan

Vinayak Chatterjee
(up to 31.03.2019)

Vellayan Subbiah

Tejpreet S Chopra



Bharti Gupta Ramola
(w.e.f. 04.02.2019)

Yash Gupta
(w.e.f. 01.04.2019)

Puneet Yadu Dalmia
(w.e.f. 01.04.2019)

Auditors

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

President & CFO

Rahul Jain

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

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
Email: info@srf.com
Website: www.srf.com

Corporate Office

Block - C, Sector - 45,
Gurugram - 122 003,
Haryana, India

Chemicals Business : Plants

- Village & P.O. Jhiwana, Tehsil Tijara, Distt. Alwar - 301 018, Rajasthan
- D II/I GIDC, PCPIR, Phase II, Tal. Vagra, Village Dahej, Distt. Bharuch - 392 130, Gujarat

Technical Textiles Business : Plants

- Manali Industrial Area, Manali, Chennai - 600 068, Tamil Nadu
- Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi, Distt. Thiruvallur - 601 201, Tamil Nadu
- Viralimalai, Distt. Pudukottai - 621 316, Tamil Nadu
- Industrial Area, Malanpur, Distt. Bhind - 477 116, Madhya Pradesh

Packaging Films Business : Plants

- Plot No. 12, Rampura, Ramnagar Road, Kashipur, Distt. Udham Singh Nagar - 244 713, Uttarakhand
- Plot Nos. C 1-8, C 21-30, Sector 3, Indore Special Economic Zone, Pithampur, Distt. Dhar - 454 775, Indore - Madhya Pradesh
- Plot No. 675, Industrial Area, Sector 3, Village Bagdoon, Pithampur, Distt. Dhar - 454 775, Indore - Madhya Pradesh

Other Businesses : Plants

- Engineering Plastics Business, Manali Industrial Area, Manali, Chennai - 600 068, Tamil Nadu
- Engineering Plastics Business, Plot No. 14 C, Sector 9, IIE Pantnagar, Distt. Udham Singh Nagar - 263 153, Uttarakhand
- Coated Fabrics Business, Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi, Distt. Thiruvallur - 601 201, Tamil Nadu
- Laminated Fabrics Business, Unit No. 2, Plot 12, Rampura Road, Kashipur, Distt. Udham Singh Nagar - 244 713, Uttarakhand

SRF Limited

(CIN: L18101DL1970PLC005197)
Regd. Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place,
Mayur Vihar Phase I Extension, Delhi – 110091
Tel. No: (+91-11) 49482870, (+91-124) 4354400, Fax: (+91-11) 49482900, (+91-124) 4354500
Email: info@srf.com, website: **www.srf.com**

NOTICE

Notice is hereby given that the **48th Annual General Meeting** of SRF Limited will be held on **Monday, August 5, 2019** at 3.30 p.m. at the Laxmipat Singhania Auditorium, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016 to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the standalone and consolidated audited financial statements of the Company for the financial year ended March 31, 2019 along with the Reports of the Auditors' and Board of Directors' thereon.

2. To appoint a Director in place of Arun Bharat Ram (DIN 00694766), who retires by rotation and being eligible, offers himself for re-election.

Special Business

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

   Appointment of Bharti Gupta Ramola (DIN: 00356188) as an Independent Director

   "**RESOLVED THAT** pursuant to the provisions of Sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force), applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(Listing Regulations) and the Nomination, Appointment and Remuneration Policy of the Company, Bharti Gupta Ramola (DIN: 00356188) who was appointed as an Additional Independent Director of the Company by the Board of Directors effective from February 04, 2019 in terms of Section 161(1) of the Act and who has submitted a declaration that she meets with the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Listing Regulations and whose term of office expires at this Annual General Meeting, and in respect of whom a notice under section 160 of the Act has been received from a member of the company, be and is hereby appointed as an Independent Director of the Company for a term up to February 3, 2024".

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

   Appointment of Puneet Yadu Dalmia (DIN: 00022633) as an Independent Director

   "**RESOLVED THAT** pursuant to the provisions of Sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force), applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Nomination, Appointment and Remuneration Policy of the Company, Puneet Yadu Dalmia (DIN: 00022633) who was appointed as an Additional Independent Director of the Company by the Board of Directors effective from April 1, 2019 in terms of Section 161(1) of the Act and who has submitted a declaration that he meets with the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Listing Regulations and whose term of office expires at this Annual General Meeting, and in respect of whom a notice under section 160 of the Act has been received from a member of the company, be and is hereby appointed as an Independent Director of the Company for a term upto March 31, 2024."

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

   Appointment of Yash Gupta (DIN: 00299621) as an Independent Director

   "**RESOLVED THAT** pursuant to the provisions of Sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force), applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Nomination, Appointment and Remuneration Policy of the Company, Yash Gupta (DIN: 00299621) who was appointed as an Additional Independent Director of the Company by the Board of Directors effective from April 01, 2019 in terms of Section 161(1) of the Act and who has submitted a declaration that he meets with the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Listing Regulations and whose term of office expires at this Annual General Meeting, and in respect of whom a notice under section 160 of the Act has been received from a member of the company, be and is hereby appointed as an Independent Director of the Company for a term upto March 31, 2024."

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

   Amendment in the terms of appointment of Ashish Bharat Ram, Managing Director

   "**RESOLVED THAT** approval, under the provisions of Section 196 read with Schedule V and other applicable provisions of the Companies Act, 2013, of the members be and is hereby accorded for modification in the terms for appointment of Ashish Bharat Ram, Managing Director passed through an ordinary resolution at the annual general meeting held on 06.08.2015, to the effect that his office shall be liable to retirement by rotation as per the provisions of Article of Association of the Company and applicable provisions of the Companies Act, 2013 provided that the other terms and conditions of his appointment shall remain the same."

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

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

   Ratification of Remuneration of Cost Auditors for financial year 2019-20

   "**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, 2020 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	₹ 3.78 lakhs plus applicable taxes and reimbursement of actual out of pocket expenses
Sanjay Gupta & Associates (Membership No. 18672)	Chemicals Business and Packaging Films Business	₹ 5.25 lakhs plus applicable taxes of actual out of pocket expenses

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

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

"**RESOLVED THAT** pursuant to the provisions of Sections 42, 71, 179 and any other applicable provisions of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board duly authorized by it in this regard in accordance with the applicable provisions of the said Act) be and is hereby authorised to issue, offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/ tranches, aggregating upto ₹ 500 crores (Rupees five hundred crores), on private placement basis, and on such terms and conditions as the Board of Directors may, from time to time, determine and consider proper and most beneficial to the Company including as to the timing of issue of such Debentures, the consideration for the issue, the utilisation of the issue proceeds and all other matters connected with or incidental thereto."

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

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

Adoption of new Articles of Association

"**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), new set of Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion of the existing Articles of Association of the Company."

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

By Order of the Board of Directors

Rajat Lakhanpal
VP (Corporate Compliance)
& Company Secretary
Membership No. A12725

Date : June 25, 2019
Place : Gurugram

NOTES

1. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 (the Act), relating to the Special Business to be transacted at the Meeting is annexed.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED, DULY COMPLETED, TO THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

   Proxy holders shall carry a valid identify proof at the time of attending the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

   Corporate/Institutional members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

3. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on August 07, 2018.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, July 30, 2019 to Monday, August 5, 2019 (both days inclusive) for the purposes of holding the Annual General Meeting.

5. Members holding shares in physical form are requested to notify change in address and bank mandate, bank particulars, if any, under their signatures to Karvy Fintech Private Limited, Karvy Selenium Tower-B, Plot No. 31 & 32, Financial Dist., Gachibowli, Nanakramguda, Seri Lingampally, Hyderabad - 500 032, Telangana, the Registrar & Share Transfer Agent (RTA), quoting folio Nos. Members holding shares in electronic form may update such details with their respective Depository Participants.

6. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.

7. Pursuant to the applicable provisions of the Companies Act 2013, unpaid/unclaimed dividends up to the financial year 2011-12, was transferred to the Investor Education & Protection Fund (IEPF). Besides the dividend so transferred, company has also transferred the relative share scrips in respect of dividends which remained unpaid for a continuous period of seven years to the demat account of IEPF Authority, in accordance with the applicable provisions of Companies Act, 2013 and Rules made thereunder. It may be noted that once the unclaimed / unpaid dividend and/or shares are so transferred; the same can only be reclaimed by a shareholder from the IEPF Authority in accordance with the applicable provisions of the Companies Act 2013 and relevant Rules made thereunder by following the prescribed procedure in this regard. The IEPF Rules and the application Form (Form IEPF-5), as prescribed by the Ministry of Corporate Affairs, are available on the website of the Ministry of Corporate Affairs at www.iepf.gov.in. Details of the unpaid/ unclaimed dividend and shares transferred to IEPF from time to time also have been uploaded on the "Investors Section" of the website of the Company viz. www.srf.com.

Members, who have not encashed their dividend pertaining to financial year 2012-13 onwards, are advised to write to the Company immediately for claiming the same.

8. Members seeking any information regarding accounts to be given at the meeting are requested to write to the Company at its Corporate Office at Block C, Sector – 45, Gurugram – 122 003 (Haryana) at least seven days before the date of the meeting so as to enable the management to keep the information ready.

9. **Voting through electronic Means**: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Fintech Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

   i) The Company has fixed Monday, July 29, 2019, as a cut-off date to record the entitlement of the shareholders to cast their vote electronically at the 48th Annual General Meeting (AGM) by electronic means under the Companies Act, 2013 and rules thereunder. Consequently, the same cut-off date i.e. Monday, July 29, 2019 would record entitlement of the shareholders, who do not cast their vote electronically, to cast their vote at the 48th AGM on August 5, 2019.

   ii) The remote e-voting period commences on Friday, August 2, 2019 (10.00 AM IST) and ends on Sunday, August 4, 2019 (5:00 P.M. 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 Monday, July 29, 2019, may cast their votes electronically. The remote e-voting module will be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.

   iii) A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

   iv) The members who have cast their votes through remote e-voting facility may also attend the annual general meeting but shall not be entitled to cast their vote again. The facility for voting through ballot paper will be made available at the venue of AGM and the members attending the meeting who have not cast their vote by remote e-voting will be able to exercise their right at the meeting through ballot paper.

   v) The Company has appointed Arvind Kohli, Company Secretary (Membership No. FCS4434) to act as the Scrutinizer, for conducting the scrutiny of the votes cast in a fair and transparent manner.

   vi) The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

Procedure for remote e-voting:

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participant (s)]:

   i. Launch internet browser by typing the URL: **https://evoting.karvy.com**

   ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) XXXX followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

   iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company".

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option "ABSTAIN". If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email **arvindkohli@gmail.com** with a copy marked to **evoting@karvy.com**. The scanned image of the above mentioned documents should be in the naming format "**Corporate Name_Event No.**"

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participant (s)]:

i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

(C) Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through Physical Ballot shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of **https://evoting.karvy.com** (Karvy Website) or contact B. Venkata Kishore (**Unit: SRF Limited**) of Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at **evoting@karvy.com** or phone no. 040-6716 1585 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

c. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., Monday, July 29, 2019, he/she may obtain the User ID and Password in the manner as mentioned below :

   i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS:

      MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399

      Example for NSDL :
      MYEPWD <SPACE> IN30039412345678 (DP-ID + CL-ID)

      Example for CDSL :
      MYEPWD <SPACE> 1202300012345678 (16 DIGITS NUMERIC)

      Example for Physical :
      MYEPWD <SPACE> XXXX1234567890 (EVEN NO. + FOLIO NO.)

   ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of **https://evoting.karvy.com**, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

   iii. Member may call Karvy's toll free number **1800-3454-001**.

      Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

d. The Scrutinizer shall after the conclusion of voting at the AGM, count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

e. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company (http://www.srf.com/investor-relations/investors.html) and on Karvy's website (https://evoting.karvy.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE and NSE.

10. Details in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, as required to be provided under Listing Regulations and Secretarial Standard on General Meetings forms an integral part of the notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.

11. Electronic copy of the Annual Report along with Notice of 48th Annual General Meeting are being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard

copy of the same. For members who have not registered their email address, physical copies are being sent in the permitted mode.

12. The Notice of the 48th Annual General Meeting and the Annual Report for FY 2018-19 will also be available on the Company's website www.srf.com. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays, up to the date of the Annual General Meeting of the Company and at the venue of the meeting.

13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send requests to einward.ris@karvy.com.

14. The register(s) maintained under Sections 170 and 189 of the Companies Act, 2013 will be available at the venue of the annual general meeting from its commencement and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.

15. Members are requested:

    i) to quote their folio/identification Nos. in all correspondence.

    ii) to bring their attendance slip along with their copy of Annual Report to the Meeting.

    iii) to note that no gifts will be distributed at the meeting.

    iv) in case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote.

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

Item No. 2

Arun Bharat Ram (DIN: 00694766)

Arun Bharat Ram is a Director liable to retire by rotation. In compliance with the requirements of Section 152 of the Companies Act, 2013, Arun Bharat Ram will, retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. Accordingly, the Board recommends his re-appointment.

Arun Bharat Ram (78), Chairman of SRF Limited is an alumnus of the University of Michigan, U.S.A. He has set up SRF in 1970 as a manufacturer of nylon tyre cord, which over the years under his guidance and leadership has not only diversified but has also acquired global leadership in most of its businesses. Today, SRF's business portfolio covers Fluorochemicals, Specialty Chemicals, Packaging Films and Technical Textiles. Anchored by a strong workforce of more than 6,300 employees working across 10 manufacturing locations in India, two in Thailand and one in South Africa, SRF Group exports to more than 75 countries.

Arun Bharat Ram also serves as the Chairman of SRF Foundation. SRF Foundation runs one of the largest community programs in the Country, imparting education and vocational training programs to underprivileged children and youth by improving infrastructure facilities in Government schools, promoting computer-aided learning and through the digital inclusion of communities. Apart from providing "Quality Education to All", the Foundation also works in the areas of creating awareness on issues related to health and hygiene, natural resource management and affirmative action on a sustainable basis.

He is also the Chairman of Lady Shri Ram College for Women in Delhi and The Shri Ram Schools in Delhi and Gurugram.

Arun Bharat Ram holds 27,500 shares in the Company. Arun Bharat Ram is a member of Corporate Social Responsibility Committee and Committee of Directors – Financial Resources of the Company.

Directorships in other companies	Committee Membership
J K Paper Limited	Audit Committee Stakeholders Relationship Committee Nomination & Remuneration Committee*
SRF Holiday Home Ltd.	-
Shri Educare Ltd.	-
Essilor India Pvt. Ltd.	-

*Chairman of the Committee.

Arun Bharat Ram is interested in the resolution. Ashish Bharat Ram and Kartik Bharat Ram, who are relatives of Arun Bharat Ram, may be deemed to be interested in the resolution. No other Directors and Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution.

In view of the above, the Board of Directors recommend the resolution for approval of the members by way of ordinary Resolution set out at Item No. 2 of the Notice.

Item No. 3

Bharti Gupta Ramola (DIN: 00356188)

In terms of the Nomination, Appointment and Remuneration Policy of the Company and pursuant to the recommendation of the Nomination & Remuneration Committee, the Board of Directors appointed Bharti Gupta Ramola as Additional Director in the category of Independent Director, effective from Feb 04, 2019. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the 'Act'), Bharti Gupta Ramola (DIN: 00356188) holds office upto the date of this AGM and is eligible for appointment as Director of the Company. In accordance with the provisions of Section 149 of the Act and listing regulation, it is proposed to appoint Bharti Gupta Ramola as an Independent Director who shall hold office upto a term upto February 3, 2024 on the Board of the Company.

Bharti Gupta Ramola has given her consent to act as Director. She is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has also received declaration that she meets with the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

In the opinion of the Board of Directors, Bharti Gupta Ramola fulfills the conditions specified in the Act and the Rules made thereunder read with the Listing Regulations for appointment as an Independent Director of the Company and she is independent of the management of the Company.

The terms and conditions of her appointment as a Director shall be open for inspection by the members at the Registered Office and Corporate Office of the Company between normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays. The said terms and conditions are also posted on the Company's website www.srf.com.

Bharti Gupta Ramola (60) (DIN: 00356188) was a partner at PwC during 1984-2017. She was a part of the founding team of varied advisory businesses (Corporate Finance and Recovery, Project Finance, Sustainability) for PwC in India. She has worked across a range of industries, the government and development institutions. As an advisory partner, her primary focus was transactions and advice on private investment and finance raising for large complex projects to Indian and multinational organizations. She worked extensively on Financial Sector policy, the first Public Private Partnerships and the first loan portfolio sales in India. She is member of the Audit Committee and Risk Management Committee of SRF Limited.

A notice has been received from a shareholder proposing her candidature for appointment as independent director under section 160 of the Companies Act, 2013.

She has no shareholding in the Company.

Directorships in other companies	Committee Membership
Feedback Infra Private Limited	-
HDFC Life Insurance company Limited	-

Except Bharti Gupta Ramola, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution.

Keeping in view the vast experience of Bharti Gupta Ramola, the Board of Directors recommend the resolution for approval of the members by way of ordinary Resolution set out at Item No. 3 of the Notice.

Item No. 4

Puneet Yadu Dalmia (DIN: 00022633)

In terms of the Nomination, Appointment and Remuneration Policy of the Company and pursuant to the recommendation of the Nomination & Remuneration Committee, the Board of Directors has appointed Puneet Yadu Dalmia as Additional Director in the category of Independent Director, effective from April 01, 2019. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the 'Act'), Puneet Yadu Dalmia holds office upto the date of this AGM and is eligible for appointment as Director of the Company. In accordance with the provisions of Section 149 of the Act, it is proposed to appoint Puneet Yadu Dalmia as an Independent Director who shall hold office upto a term ending on 31st March 2024 on the Board of the Company.

Puneet Yadu Dalmia has given his consent to act as Director. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has also received declaration that he meets the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

In the opinion of the Board of Directors Puneet Yadu Dalmia fulfills the conditions specified in the Act and the Rules made thereunder read with the Listing Regulations for appointment as an Independent Director of the Company and he is independent of the management of the Company.

The terms and conditions of his appointment as a Director shall be open for inspection by the members at the Registered Office and Corporate Office of the Company between normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays. The said terms and conditions are also posted on the Company's website www.srf.com.

Puneet Yadu Dalmia (46) is B.Tech from IIT-Delhi and gold medalist M.B.A from IIM-Bangalore. Dalmia serves as the Managing Director of Dalmia Bharat Group and he has been driving force behind the exponential growth witnessed by this group in last decade. He has keen interest in education and serves as a Founder and Trustee of Ashoka University and is also Board Member of Central Square Foundation (CSF). He is member of Nomination & Remuneration Committee of SRF Limited.

Puneet Yadu Dalmia has no shareholding in the Company.

A notice has been received from a shareholder proposing his candidature for appointment as independent director under section 160 of the Companies Act, 2013.

Directorships in other companies	Committee Membership
Odisha Cement Limited	-
TVS Capital Funds Private Limited	-
International Foundation for Research and Education	-
RLJ Family Trusteeship Private Limited	-
SKLNJ Family Trusteeship Private Limited	-
RANDR Trustee Private Limited	-
RRJ Family Trustee Private Limited	-

Except Puneet Yadu Dalmia, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution.

In view of the Board, Puneet Yadu Dalmia would make useful contributions to the discussions and deliberations of the Board and therefore recommend the resolution for approval of the members by way of ordinary Resolution set out at Item No. 4 of the Notice.

Item No. 5

Yash Gupta (DIN: 00299621)

In terms of the Nomination, Appointment and Remuneration Policy of the Company and pursuant to the recommendation of the Nomination & Remuneration Committee, the Board of Directors has appointed Yash Gupta as Additional Director in the category of Independent Director, effective from April 01, 2019. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the 'Act'), Yash Gupta holds office upto the date of this AGM and is eligible for appointment as Director of the Company. In accordance with the provisions of Section 149 of the Act, it is proposed to appoint Yash Gupta as an Independent Director who shall hold office upto a term ending on 31st March 2024 on the Board of the Company.

Yash Gupta has given his consent to act as Director. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has also received declaration that he meets the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

In the opinion of the Board of Directors Yash Gupta fulfills the conditions specified in the Act and the Rules made thereunder read with the Listing Regulations for appointment as an Independent Director of the Company and he is independent of the management of the Company.

The terms and conditions of his appointment as a Director shall be open for inspection by the members at the Registered Office and Corporate Office of the Company normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays. The said terms and conditions are also posted on the Company's website www.srf.com.

Yash Gupta (51 years) is MBA from Harvard Business School and BSc in Industrial Management from Carnegie Mellon University. Yash Gupta has global work experience across Asia, US and Europe. Before founding YG Real Estate and BlueSky Ventures, he established and led Hines as its Country Head, India and Senior Managing Director. Previously, he has served as CEO at Silverglades - mid-sized residential developer, CEO at Doorvani Cables - wire & cable manufacturer, Senior Engagement Manager at McKinsey & Company and Staff Consultant at Price Waterhouse. In addition to his participation on several company boards, he is South-Asia Chair, YPO Real Estate Network; Founding Board Member, HBS RE Alumni Association; Member RE Committees of FICCI and CII; Ex-chair USIBC Real Estate Executive Committee and Advisory Board Member, GRI. He is member of Nomination & Remuneration and Stakeholder Relationship Committee of SRF Limited. Yash Gupta has no shareholding in the Company.

A notice has been received from a shareholder proposing his candidature for appointment as independent director under section 160 of the Companies Act, 2013.

Directorships in other companies	Committee Membership
Pureearth Infrastructure Limited	-

Except Yash Gupta, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution.

Keeping in view his vast experience in the field of consulting which can add value to the discussions and deliberations of the Board, his appointment is recommended for approval of the members by way of ordinary Resolution set out at Item No. 5 of the Notice.

Item No. 6

Shareholders had appointed Ashish Bharat Ram as Managing Director of the Company for a period of 5 years with effect from 23.05.2015 in the AGM held on 6th August, 2015. It is proposed to seek approval for amendment in the terms of appointment of Ashish Bharat Ram to the effect that his office is liable for retirement by rotation. Other terms and conditions of his appointment shall remain the same. This is being done to have sufficient number of directors as rotational directors on the Board of the Company as per the requirements of Companies Act.

Ashish Bharat Ram is interested in the resolution. Arun Bharat Ram and Kartik Bharat Ram, who are relatives of Ashish Bharat Ram, may be deemed to be interested in the resolution. No other Director or KMP of the Company or their relatives are concerned or interested financial or otherwise in the Resolution.

In view the above, the Board of Directors recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval of the members.

Item No. 7

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, 2020 at the remuneration as provided in the resolution.

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

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

Both the cost auditors had rendered satisfactory service during their last tenure, therefore the Board of Directors recommends Ordinary Resolution set out at Item No. 7 of the Notice for approval of 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 increased capital expenditure requirements, re-financing of existing debt, general corporate purposes and such other purposes of the Company as are allowed by the applicable laws, the Company may be required to offer or invite subscription for secured/ unsecured redeemable non-convertible debentures, in one or more series/tranches on private placement. Further, SEBI circular dated 26.11.2018 require that 25% of the incremental borrowings by a Large Corporate (as defined in that circular) during a financial year shall be met by way of issuance of debt securities in accordance with applicable SEBI regulations.

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

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

In view of the above, the Board of Directors recommends the Special Resolution set out at Item No. 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 ₹ 500 crores, in one or more tranches, during the period of one year from the date of this Annual General Meeting.

Item No. 9

Board at its meeting held on 13th May, 2019 had decided to insert a provision in the Articles of Association of the Company for appointment of any person who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as the Chairperson Emeritus of the Company.

In order to avail this opportunity to align the Articles of Association with the requirements of the Companies Act, 2013, the Board had decided by way of circular resolution dated June 25, 2019 to replace the existing Articles of Association with a new set of Articles of Association.

In terms of Section 14 and other applicable provisions of the Companies Act, 2013, the consent of the Members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

A copy of the amended Articles of Association shall be open for inspection by the members at the Registered Office and Corporate Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays up to the date of the Annual General Meeting.

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

In view of the above, the Board of Directors recommends the Special Resolution set out at Item No. 9 of the Notice for approval of the members.

IMPORTANT COMMUNICATION TO MEMBERS

The members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Registrar & Transfer agent M/s Karvy Fintech Pvt. Ltd.

Route map of the venue of 48th Annual General Meeting of SRF Limited to be held on Monday, August 5, 2019 at 3.30 p.m. at the Laxmipat Singhania Auditorium, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016

Board's Report

Dear Members,
Your Directors are pleased to present the 48th Annual Report for the year ended March 31, 2019.

Financial Results

₹ Crores

Particulars	2018-19	2017-18
Revenue from operations	6,459.34	4,677.93
Other income	42.32	103.80
Total Income	**6,501.66**	**4,781.73**
Profit Before Interest, Depreciation & Tax (PBIDT)	**1,195.80**	**888.72**
Less: Interest & Finance Charge	174.65	97.97
Gross Profit	**1,021.15**	**790.75**
Less: Depreciation and Amortisation Charge	328.04	278.11
Profit Before Tax (PBT)	**693.11**	**512.64**
Less: Provision For Taxation including Deferred Tax Charge	175.93	106.98
Profit After Taxation (PAT)	**517.18**	**405.66**
Add: Profit Brought Forward	2,524.05	2,276.88
Total	**3,041.23**	**2,682.54**

Appropriation

₹ Crores

Particulars	2018-19	2017-18
Interim dividend on Equity Shares	68.98	68.90
Corporate Tax on Dividend	14.17	14.03
Other comprehensive income arising from remeasurement of defined benefit obligation	1.16	0.56
Amount transferred to Debenture Redemption Reserve	-	75.00
Profit carried to Balance Sheet	**2,956.92**	**2,524.05**

Equity Dividend

During the year, your Company has paid two interim dividends of ₹ 6 per share each aggregating to ₹ 12 per share, amounting to ₹ 83.15 Crores (inclusive of taxes). The Board of Directors of the Company has not recommended any final dividend.

Operations Review

Total revenue from operations of the Company on standalone basis increased by 38.08 per cent from ₹ 4677.93 Crores in 2017-18 to ₹ 6,459.34 Crores in 2018-19 mainly due to increase in revenue from operations. The profit before interest, depreciation and tax (PBIDT) including 'other income' on a standalone basis increased from ₹ 888.72 Crores in 2017-18 to ₹ 1,195.79 Crores in 2018-19.

Profit before tax (PBT) on a standalone basis increased by 35.20 per cent from ₹ 512.64 Crores in 2017-18 to ₹ 693.11 Crores in 2018-19. After accounting for the provision for taxation of ₹ 175.93 Crores, profit after tax (PAT) on a standalone basis increased by 27.49 per cent from ₹ 405.66 Crores in 2017-18 to ₹ 517.18 Crores in 2018-19.

Management Discussion and Analysis

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

Business Responsibility Report

As stipulated under the Securities and Exchange Board of India (LODR) Regulations, 2015 ("Listing Regulations"), the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective has been prepared for 2018-19 and forms a part of the Board's Report. However, as a green initiative the Business Responsibility Report for 2018-19 has been hosted on the website of the company at http://www.srf.com/investor-relations/investors.html#reports and shareholder who wants to obtain a physical copy of the same may send a request to the Company at its registered office.

Subsidiaries, Joint Ventures and Associate Companies

As on March 31, 2019, your Company had 6 (six) wholly owned subsidiary companies whereby 1 (one) wholly owned subsidiary company is registered in India and remaining 5 (five) are registered outside India. 2 (two) of these are direct wholly owned subsidiaries and rest 4 (four) are step-down wholly owned subsidiaries. The consolidated profit and loss account for the period ended March 31, 2019 includes the profit and loss account for these 6 (six) wholly owned subsidiaries for the Financial Year ended March 31, 2019.

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 nylon tyre cord and packaging films.

3. SRF Flexipak (South Africa) (Pty) Ltd.(a wholly owned subsidiary of SRF Global BV) is incorporated in South Africa engaged in manufacture and distribution of packaging films.

4. SRF Industex Belting (Pty) Ltd. (a wholly owned subsidiary of SRF Global BV) is incorporated in South Africa presently in the business of trading in refrigerant gases in South Africa and other neighbouring countries.

5. SRF 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.

6. SRF Europe Kft (a wholly owned subsidiary of SRF Global BV) incorporated in Hungary on 25th April 2018 to undertake the manufacture of packaging films in Hungary.

   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. 252. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: http://www.srf.com/pdf/2014%20(10)%2028%20-%20Policy%20on%20material%20subsidiary%20companies%20-%20v2%20-%20Oct14.pdf

The Company shall make available the annual accounts of the subsidiary companies to any member of the Company who may be interested in obtaining the same. 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

Arun Bharat Ram, Director, is retiring by rotation and being eligible, offers himself for re-appointment.

All Independent Directors have submitted declarations for 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.

During the year-

1. Pramod Bhasin, Independent Director of the company resigned from the close of business hours of February 4, 2019 due to his current range of responsibilities and travel. There were no other material reasons for his resignation.

2. Vinayak Chatterjee, Independent Director of the company resigned from the close of business hours of March 31, 2019. He has resigned from the Board as he was an Independent Director since 2002 which was in accordance with the requirements of Companies Act, 2013 and Listing Regulations. However, as a good corporate governance practice he decided to step down as a Director. There were no other material reasons for his resignation.

During the year, the Board has appointed Bharti Gupta Ramola w.e.f. February 4, 2019, Yash Gupta and Puneet Yadu Dalmia w.e.f. April 1, 2019 as Additional Independent Directors and has recommended their appointment as Independent Directors.

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.

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.

Anoop K Joshi, President, CFO & Company Secretary of the Company retired from the services of the Company at the close of the business hours on March 31, 2019. Rahul Jain was appointed as the President & Chief Financial officer and Rajat Lakhanpal was appointed as the Vice President (Corporate Compliance) & Company Secretary of the Company w.e.f. April 1, 2019.

In accordance with the requirements of the Companies Act and the Listing Regulations, the Company has formulated a Nomination, Appointment and Remuneration Policy. A copy of the Policy is enclosed as Annexure I.

In accordance with the aforesaid Policy, the Nomination and Remuneration Committee evaluates the performance of the Executive Directors, Non-Independent non-executive Director and Independent Directors. Board evaluates, its own performance on criteria like discharge of duties and responsibilities under the Companies Act and Listing Regulations, fulfilment of its role with respect to guiding corporate strategy, risk policy, business plans, corporate performance, monitoring company's governance practices etc. and number of meetings held during the year and the performance of its

Committees on the criteria like fulfilment of role of the Committee with reference to its terms of reference, the Companies Act and the Listing Regulations and the number of committee meetings held during the year.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link http://www.srf.com/investor-relations/investors.html#governance

During the year 2018-19, four meetings of the Board of Directors were held. For further details, please refer to report on Corporate Governance on page no. 68 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:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively ; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Contracts and Arrangements with Related Parties

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arms' length basis and in accordance with the Transfer Pricing Policy/basis approved by the Audit Committee and/or in accordance with the Omnibus approval of the Audit Committee. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Policy on Materiality of Related Party Transactions.

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

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

Particulars of investments made are given in Note No. 5 of the standalone financial statement. Particulars of guarantees alongwith the purpose, are given in Note No. 40(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 Board has constituted a Corporate Social Responsibility Committee comprising of Dr. Meenakshi Gopinath, Director (CSR) (Chairperson of the Committee), Kartik Bharat Ram, Deputy Managing Director and Lakshman Lakshminarayan, Independent Director as other members.

Arun Bharat Ram, Chairman of the Company has also been inducted as the member of the CSR Committee w.e.f, April 1, 2019.

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a

Corporate Social Responsibility Policy (CSR Policy) indicating the projects to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link http://www.srf.com/pdf/2015%20(05)%2011%20-%20SRF%20-%20CSR%20Policy%20-%20Board%20approved.pdf

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

During the year, the Company has spent ₹ 10.38 Crores on CSR activities. The amount of CSR obligation under the Companies Act, 2013 was ₹ 10.38 Crores. 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 accounting risks, foreign currency and other treasury related risks and information systems risks. The risk management process consists of risk identification, risk assessment, risk prioritization, risk treatment or mitigation, risk monitoring and documenting the new risks.

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

The Board has constituted Risk Management Committee in its meeting held on February 4, 2019 effective from April 1, 2019 consisting of Ashish Bharat Ram as Chairman, Kartik Bharat Ram and 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, the Company has allotted 60,000 Equity shares under Part-B SRF ESPS 2018 of SRF Limited Employees Long Term Share Based Incentive Plan – 2018 to eligible employees. There has been no material change in the said Plan. The said Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

In Compliance with Circular dated June 16, 2015 issued by SEBI under the said Regulations, necessary disclosures are given below:

a. In terms of the "Guidance Note on accounting for employee share based payments" issued by ICAI and Ind AS 102, note no. 34 on Employee Share Based Payments forms part of the notes to standalone annual accounts appearing on page no. 150 of the Annual Report 2018-19. Note No. 1.B.17 forming part of the Accounting Policies which refers to this is also appearing on page no. 109 of the Annual Report 2018-19.The same are also reproduced in the "Investors Section" of the website (www.srf.com). The weblink for the same is https://www.srf.com/investor-relations/investors.html.

b. Shares under Part B- SRF ESPS, 2018 of the SRF Long Term Share Incentive Plan, 2018 were issued directly to the eligible employees as decided by the Board/Nomination and Remuneration Committee of the Company. Hence, the diluted EPS and basic EPS are same. Basic EPS for 2018-19 was Rs. 90.01 per Share.

c. Other Disclosures mandated by the said circular are given in Annexure III.

Certificate from the Auditors of the Company dated May 13, 2019 that SRF Limited Long term Share based Incentives Plan, 2018 has been implemented in accordance with said regulations and in accordance with the resolutions of the company passed through Postal Ballot on March 26, 2018, shall be placed in the forthcoming Annual general meeting.

Dividend Distribution Policy

In compliance with the Listing Regulations, your Board had formulated a Dividend Distribution Policy. A copy of the said policy is available on the website of the Company at http://www.srf.com/pdf/Dividend%20Distribution%20. The policy is also given in Annexure IV of this report.

Corporate Governance

Certificate of the auditors of your Company regarding compliance of the conditions of corporate governance as stipulated in Regulation 34(3) of the Listing Regulations is attached to the report as Annexure V.

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

All Board members and Corporate Leadership Team (CLT) have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by the Managing Director is enclosed as a part of the Corporate Governance Report. A copy of the Code is also placed at the website of the Company (www.srf.com).

Consolidated Financial Statement

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

Audit Committee

As on March 31, 2019 the Audit Committee comprised of Independent Directors namely Vinayak Chatterjee (Chairman of the Committee), Lakshman Lakshminarayan and Vellayan Subbiah as other members. All the recommendations made by the Audit Committee were accepted by the Board.

Further, w.e.f. April 1, 2019 the composition of Audit Committee comprises of Lakshman Lakshminarayan as Chairman of the Committee, Vellayan Subbiah and Bharti Gupta Ramola as members of the Committee.

Accounts and Audit

M/s B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) were appointed as Statutory Auditors for 5 years on 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 Whistleblower Policy, Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Conduct for Directors and Sr. Management Personnel can be accessed on the Company's website at the link: http://www.srf.com/investor-relations/investors.html#governance

Cost Audit

As per the requirement of Section 148(1) and other applicable provisions of the Companies Act, 2013, the Company is required to maintain Cost Records for all the products being manufactured by it. The same are being maintained by the Company and Audited by the Cost Auditors.

M/s. H. Tara & Co., Cost Accountants, was appointed to conduct cost audit of the accounts maintained by the Company for the financial year 2019-20 in respect of all the relevant product groups of Technical Textiles Business and Other Businesses.

M/s. Sanjay Gupta & Associates, Cost Accountant, was appointed to conduct cost audit of the accounts maintained by the Company for the financial year 2019-20 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 2019-20 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 2017-18, 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 5th September 2018. The due date for filing was 7th September 2018.

Secretarial Auditor

The Board has appointed M/s Sanjay Grover & Associates, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith as Annexure VI to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, Secretarial Compliance Report dated May 13, 2019, issued as per SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 was given by M/s Sanjay Grover & Associates, Practising Company Secretary which was submitted to Stock Exchanges.

Personnel

The statement containing names of top ten employees in terms of remuneration drawn and the particulars 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. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

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

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

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

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as Annexure IX to this Report.

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, one complaint was received and the same has been disposed off in accordance with the requirements of the Act.

Acknowledgements

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

For and on behalf of the Board

Arun Bharat Ram

Date: May 13, 2019 — Chairman

Place: Gurugram — (DIN – 00694766)

Annexure I to BOARD'S REPORT

Nomination, Appointment and Remuneration Policy

A. Introduction

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

B. Definitions

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

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

C. Terms of Reference

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Formulation of policies for remuneration to Directors, Key Managerial Personnel, Sr. Management Personnel and Other Employees.
- Identification and recommendation to Board of persons who are qualified to become Directors, Key Managerial Personnel and Sr. Management Personnel in accordance with the criteria laid down.
- Recommend to the Board on appointment and removal of Directors, Key Managerial Personnel and Sr. Management Personnel.
- Evaluation of the performance of Directors (other than Independent Directors).
- Evaluation of the performance of Independent Directors and make recommendations to Board.
- To oversee succession planning for Board of Directors, Key Managerial Personnel and Senior Management Personnel.
- Formulation of criteria for making payment to non-executive Directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

D. Criteria for recommending a person to become Director

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

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

2. Attributes/Qualities

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

- Respect for and strong willingness to imbibe the Company's Core Values.
- Honesty and Professional integrity.
- Strategic capability with business vision.
- Entrepreneurial spirit and track record of achievement.
- Ability to be independent
- Capable of lateral thinking.
- Reasonable financial expertise.
- Association in the fields of business/ corporate world/Finance/education/ community service/Chambers of Commerce & industry.
- Effective review and challenge to the performance of management.

3. In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the provisions of the Act, Listing Regulations and other applicable laws and regulations.

4. The incumbent should not be disqualified for appointment as a Director pursuant to the provisions of the Act or other applicable laws & regulations.

E. Directors' Remuneration

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

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

F. Evaluation

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

i) Performance evaluation of all individual Directors:

It shall be done annually by the Nomination and Remuneration Committee (NRC) as per the structure of performance evaluation (as per Annexure I & II). The outcome of the evaluation shall be shared by the Chairman of NRC with the Board.

ii) Performance evaluation of Independent Directors:

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

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

iii) Performance evaluation of the Board of Directors:

Board shall evaluate its own performance on criteria like discharge of duties and responsibilities under the Companies Act and Listing Regulations, fulfillment of its role with respect to guiding corporate strategy, risk policy, business plans, corporate performance, monitoring company's governance practices etc. and number of meetings held during the year as specified in annexure III (Part - A).

iv) Performance evaluation of Board Committees:

The Board shall review the performance of all its committees annually on criteria for evaluation as specified in annexure III (Part - B).

v) 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 above mentioned evaluations with the Chairman of the Board.

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

G. Board Diversity

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

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

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

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

Remuneration Structure

i) Key Managerial Personnel and Senior Management Personnel,

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

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

ii) Other Employees

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

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

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

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

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

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

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

Annexure - I

Performance Evaluation of Executive Directors

Name of Director :

Type of Directorship : Executive Director

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

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

Name of Director : ....

Signature : ....

Date & Place : ....

Annexure - II

Performance Evaluation of Independent Directors / Non-Executive Directors

Name of Director :

Type of Directorship : Independent Directors / Non-Executive Director

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

S. No.	Role/Attribute	(Y/N)
1.	Attendance and participation in meetings of the Board of Directors and of the Board Committees	
2.	Advises on implementation of good corporate governance practices.	
3.	Independent in judgement and actions	
4.	Exercised his/her duties with due & reasonable care, skill and diligence.	
5.	Acted in good faith and in the best interests of the Company towards promotion of interest of the stakeholders.	
6.	Conduct in compliance with the policies of the Company viz. Code of Conduct, Code of Conduct for Prevention of Insider Trading, Whistle blower Policy etc.)	

Name of Director : ……………………….

Signature : …………………………

Date & Place : ………………………….

Annexure – III

Criteria for evaluation of the board of directors

A:

Performance of Board as a whole	Evaluation Criteria • Discharge of duties and responsibilities under the Companies Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. • Fulfilment of role of the Board (for instance guiding corporate strategy, risk policy, business plans, corporate performance, monitoring company's governance practices etc.). • Number of Board Meetings held during the year.

B:

Performance of Board Committees	Evaluation Criteria • Fulfilment of role of the Committee with reference to its terms of reference, the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. • Number of committee meetings held during the year.

For and on behalf of the Board

Arun Bharat Ram
Chairman
(DIN: 00694766)

Date: May 13, 2019
Place: Gurugram

Annexure II to the Board's Report

Annual Report on CSR for the Financial Year ended March 31, 2019

1) A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

   As per the requirement of Section 135 of the Companies Act, 2013, the Company had laid down a CSR Policy under which the Company had identified projects as per the Schedule VII of the Act in the following areas for the year 2018-19:

   - **Promotion of Education:** Improving Quality of Education and Developing School infrastructure of Govt. Schools.
   - **Employment enhancing vocational skills:** Focusing on imparting appropriate skills as per the market and industry needs and providing a platform to the youth trained to be gainfully self-employed or linking them with potential employers to increase their employability and livelihood;
   - **Environment:** Plantation, maintenance of paals, recharging ground water etc.
   - **Art and Culture:** Lecture cum demonstration session on classical music, dance, folk form, craft, yoga, heritage, nature walk, Indian Philosophy etc.
   - **Rural Development:** Construction of community shed, village roads / community assets / village development activities/ temporary shelter for homeless etc.
   - **Promotion of Sports:** Construction/ Renovation/Maintenance of courts, play grounds, equipment's etc.

   The Details of the CSR Policy and projects or programs proposed to be undertaken under the same, from time to time, is posted on: http://www.srf.com/pdf/2015%20(05)%2011%20-%20SRF%20-%20CSR%20Policy%20-%20Board%20approved.pdf

   The Composition of the CSR Committee

   Dr. Meenakshi Gopinath, (Chairperson)

   Kartik Bharat Ram, (Member)

   L. Lakshman, (Member)

   Arun Bharat Ram (Appointed as Member w.e.f. 01.04.2019)

2) Average Net Profit of SRF Ltd for last three financial years

   Net profit for the year:

   2017 – 18: ₹ 496.76 Crores

   2016 – 17: ₹ 551.19 Crores

   2015 – 16: ₹ 509.69 Crores

   Average Net Profit: ₹ 519.21 Crores

   2% of Avg. Net Profit: ₹10.38 Crores (approx.)

3) Prescribed CSR Expenditure – ₹ 10.38 Crores (approx.)

4) Details of CSR Spent during the financial year

   a. Total Amount spent for the financial year- ₹ 10.38 Crores

   b. Amount unspent, if any – 0.00

   c. Manner in which the amount spent during the financial year is detailed below:

₹ Crores

S. No.	CSR Project or activity identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or Programs 1. Local area or other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs / project Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
1.	School Education	Cl. (ii) Promoting Education	Local Area Mewat (Haryana); Kashipur, Pantnagar (Uttrakhand); Dhar, Gwalior, Bhind and Bhopal (Madhya Pradesh); Bhiwadi (Rajasthan); Bharuch (Gujarat); Pudukottai, Chennai and Thiruvallur (Tamil Nadu); Kamrup Metro (Assam), New Delhi	6.56	6.70	6.70	Implementation Agency – SRF Foundation
2.	Vocational Skills	Cl. (ii) Employment Enhancing Vocational Skills	Local Area Mewat (Haryana), Manali, Pudukottai (Tamil Nadu)	0.26	0.26	0.26	Implementing Agency – SRF Foundation
3.	Environment	Cl. (vi) Ensuring Environmental Sustainability	Local Area Bhiwadi (Rajasthan)	0.09	0.09	0.09	Implementation Agency – SRF Foundation in association with SPACE
4.	Rural Development	Cl. (xiii) Rural Development	Local Area Bhiwadi (Rajasthan), Dahej (Gujarat), Assam, Kerala & Karnataka	0.52	0.52	0.52	Implementing Agency – SRF Foundation
5.	Art & Culture	Cl. (viii) Art & Culture	In college/school auditorium of Tamil Nadu, Madhya Pradesh, Gujarat & Delhi NCR	1.00	1.00	1.00	Implementing Agency – SRF Foundation through Spic Macay
6.	Sports Promotion	Cl. (x) Sports Promotion	New Delhi	1.75	1.75	1.75	Implementing Agency – SRF Foundation through The Delhi Golf Club
7.	CSR Capacity Building & Overheads			0.20	0.20	0.20	
	Total			**10.38**	**10.52**	**10.52***	

*Amounts aggregating to ₹ 14 lakhs (approx.) was contributed by SRF Foundation from its own funds.

Details of Implementing Agency: SRF Foundation, Year of Establishment – 1982, Founder – SRF Ltd.

Director – Dr. Y. Suresh Reddy

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company, is reproduced below:-

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and Policy of the Company.'

	Sd/-	**Sd/-**
Date: May 13, 2019	**Ashish Bharat Ram**	**Dr. Meenakshi Gopinath**
Place: Gurugram	**Managing Director**	**Director (CSR)**

Annexure III to the Board's Report

ESPS Disclosures

Details related to ESPS

(i) Details of allotments made under **Part-B SRF ESPS 2018 of SRF Limited Employees Long Term Share Based Incentive Plan – 2018 (ESPS)** during the financial year 2018-19:

(a) Date of shareholders' approval: **26th March 2018**

(b) Number of shares issued: **60,000**

(c) The price at which such shares are issued: ₹ 10/- each

(d) Lock-in period: 1 year from the date of allotment

(ii) Details regarding allotment made under **Part-B SRF ESPS 2018 of SRF Limited Employees Long Term Share Based Incentive Plan – 2018,** as at the end the financial year 2018-19:

Particulars	Details
The details of the number of shares issued under ESPS	60,000
The price at which such shares are issued	10/-
Employee-wise details of the shares issued to: (i) Senior managerial personnel;	Prashant Yadav- 20,000 shares Prashant Mehra- 20,000 shares Anurag Jain- 20,000 shares
(ii) Any other employee who is issued shares in any one year amounting to 5% or more shares issued during that year;	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
Consideration received against the issuance of shares, if scheme is implemented directly by the company	₹ 6,00,000/-
Loan repaid by the Trust during the year from exercise price received	NA

Details related to Trust

The following details, inter alia, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are to be disclosed:

(i) General information on all schemes:

S. No	Particulars	Details
1.	Name of the Trust	SRF Employees Welfare Trust
2.	Details of the Trustee(s)	SRF 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	Contribution towards corpus of ₹ 35,000/-

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

Number of shares held at the beginning of the year	NIL
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	The Trust has not acquired any shares during the financial year 2018-19. However, as per the ESPS, 60,000 Equity Shares were pledged by the aforesaid employees to the Trust.
Number of shares transferred to the employees / sold along with the purpose thereof	NIL
Number of shares held at the end of the year	NIL

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

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

For and on behalf of the Board

Arun Bharat Ram
Chairman
(DIN: 00694766)

Date: May 13, 2019
Place: Gurugram

Annexure IV to the Board's Report

Dividend Distribution Policy

OBJECTIVES	This Policy shall provide the underlying philosophy, rationale and guidelines to distribute the surplus generated by the company, among its shareholders by way of cash Dividend including interim Dividend.
PHILOSPHY	The philosophy of the Company is to maximise the shareholders' wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilise its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter distributing the surplus profits in the form of dividend to the shareholders.
KEY PROCESSES THE GUIDELINES GOVERNS	CFAST (Treasury) CFAST (Secretarial)
REGULATORY FRAMEWORK	This Dividend Distribution Policy has been formulated in line with Clause 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which require the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a Dividend distribution policy which shall be disclosed in their annual reports and on their websites.
PARAMETERS FOR DECLARATION OF DIVIDEND	Board of Directors of the Company shall consider the following parameters for declaration of Dividend: **Financial Parameters/Internal Factors** • Standalone and Consolidated profit after tax • Working capital requirements • Capital expenditure requirements • Resources required to fund acquisitions and/or new businesses • Return on Capital Employed • Cost of borrowings • Cash flow required to meet contingencies • Outstanding borrowings and their servicing • Covenants in the financial facilities agreements • Past Dividend trends **External Factors** • Prevailing statutory requirements, regulatory conditions or restrictions laid down under applicable laws including tax laws. • Dividend pay-out ratios of comparable companies. • Macroeconomic conditions • Expectations of major stakeholders including small shareholders.
CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND	Shareholders may not expect Dividend under the following circumstances: • Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital; • Significantly higher working capital requirements adversely impacting free cash flow;

	• Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital; • Whenever it proposes to utilise surplus cash for buy-back of securities • In the event of inadequacy of profits or whenever the Company has incurred losses; or • Any other event in which the Board of Directors may deem it fit to not declare dividend.
UTILISATION OF RETAINED EARNINGS	The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors: • Expansion plans; • Product expansion plans; • Increase in production capacity; • Modernization plans; • Diversification of business; • Mergers and acquisitions; • Long term strategic plans; • Replacement of capital assets; • Where the cost of debt is expensive; • Other such criteria as the Board may deem fit from time to time.
PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES	• Presently, the Authorised Share Capital of the Company is divided into equity share of Re. 10 each, Preference shares of ₹ 100 each, Cumulative convertible Preference shares of ₹ 50 each and Cumulative Preference shares of ₹ 100 each . At present, the issued and paid-up share capital of the Company comprises only equity shares. • The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares. • As and when the Company issues Preference shares, the Board may suitably amend this Policy.
PROCEDURE	• The Chief Financial Officer in consultation with the MD of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of Directors of the Company. • The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal. • Pursuant to the provisions of applicable laws and this Policy, interim Dividend will be approved by the Board of Directors and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company. • The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.
DISCLOSURE	• Company shall make appropriate disclosures as required under SEBI Regulations, Companies Act, 2013 and other applicable laws.
GENERAL	• This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.

- The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
- In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of the Board

Arun Bharat Ram
Chairman
(DIN: 00694766)

Date: May 13, 2019
Place: Gurugram

Annexure V to the Board's Report

Independent Auditor's Certificate on Corporate Governance

To
The Members of SRF Limited

1. This report is issued in accordance with the terms of our engagement letter dated 7 August 2018.

2. The accompanying Corporate Governance Report prepared by SRF Limited ("the Company") contains details of compliance of conditions of corporate governance by the Company for the year ended 31 March 2019, as stipulated in Regulations 17-27, clauses (b) to (i) of the Regulation 46(2) and paragraphs C, D and E of the Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") pursuant to the Listing Agreement of the Company with stock exchanges.

Management's Responsibility

3. The preparation of the Corporate Governance Report is the responsibility of the Management including the preparation and maintenance of all the relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

4. The Management along with the Board of Directors is also responsible for ensuring that the Company complies with the conditions of the Corporate Governance and provides all relevant information to Securities and Exchange Board of India. The management shall comply with the corporate governance provisions which shall be implemented in a manner so as to achieve the objectives of the principles.

Auditor's Responsibility

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing regulations for the year ended March 31, 2019.

6. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the subject matter stated in the above paragraph. The procedures selected, including procedures for assessment of the risk associated with the subject matter, depends on the auditor's judgment.

7. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of Corporate Governance. It is neither an audit not an expression of opinion on the financial statements of the Company.

8. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes,("the Guidance Note"), issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

9. We have complied with the requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by ICAI.

Opinion

10. In our opinion, and to the best of our information and according to the explanation and representations given to us, we are of the opinion that the Company has complied with the conditions of the Corporate Governance as stipulated in Listing Regulations, as applicable as at March 31, 2019, referred to in paragraph 2 above.

11. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on Use

12. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with the obligations under the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of report.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Kaushal Kishore
Partner
Membership No. 090075
UDIN: 19090075AAAAAA4687

Place: Gurugram
Date: May 13, 2019

Annexure VI to the Board's Report

Secretarial Audit Report

For the Financial Year Ended 31st March, 2019

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

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

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

We report that-

a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

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

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

e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, where applicable;

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and

      (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

*No event took place under these regulations during the audit period.

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

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

(vi) The Company is engaged in manufacturing of–

- **Chemicals and Polymers** plants located at Alwar, Rajasthan; Udham Singh Nagar, Uttarakhand and Bharuch, Gujarat, Manali, Tamil Nadu;

- **Technical Textiles** plants at Chennai, Tamil Nadu; Bhind, Madhya Pradesh; Thiruvallur, Tamil Nadu; Pudukottai, Tamil Nadu and Udham SinghNagar, Uttarakhand;
- **Packaging Films** plants at Udham SinghNagar, Uttarakhand and Indore, Madhya Pradesh;

Following are some of the laws specifically applicable to the Company:

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

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

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

We further report that during the audit period:

- Pursuant to the provisions of Sections 42, 71, 179 and any other applicable provisions, of the Companies Act, 2013 read with rules made thereunder, the members in its Annual General Meeting held on 7th August, 2018, has authorised to issue, offer or invite subscriptions for secured/unsecured redeemable Non-Convertible debentures, in one or more series/tranches, aggregating upto 500 Crores (Rupees five hundred Crores), on private placement basis 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.

- The members in its Annual General Meeting held on 7th August, 2018 has suppressed the special resolution passed under the provisions of Section 180(1)(c) of the Companies Act, 2013 which was adopted at the 43rd Annual General Meeting held on August 04, 2014, and has authorized the Board of Directors (which term shall include any committee thereof) to borrow monies in terms of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, notwithstanding that the aggregate borrowings (apart from temporary loans from the Company's bankers in the ordinary course of business) may exceed the aggregate of the Company's paid-up share capital and free reserves, i.e., reserves not set apart for any specific purpose, provided, however, that the aggregate amount of monies which may be borrowed shall not exceed 4,000 Crores (Four Thousand Crores) at any point of time.

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

Sanjay Grover
Managing Partner
CP. No. 3850

Place: New Delhi
Date: May 13, 2019

Annexure VII 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(s) during the financial year 2018-19 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

S. N.	Name of Director/KMP and Designation	Remuneration of Director(s)/ KMP(s) for financial year 2018-19 (₹ Crores)	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director to median remuneration of employees
1	Arun Bharat Ram Chairman	5.53	9.52%	141.5
2	Ashish Bharat Ram Managing Director	5.91	15.66%	151.5
3	Kartik Bharat Ram Deputy Managing Director	5.84	16.10%	149.7
4	Dr. Meenakshi Gopinath Director (CSR)	0.15	0.00%	3.8
5	Vinayak Chatterjee Non-Executive Director	0.16	23.08%	4.1
6	Tejpreet S Chopra Non-Executive Director	0.14	16.67%	3.6
7	Lakshman Lakshminarayan Non-Executive Director	0.14	27.27%	3.6
8	Vellayan Subbiah Non-Executive Director	0.13	18.18%	3.3
9	Pramod Bhasin Non-Executive Director	0.12	20.00%	3.1
10	Pramod G Gujarathi Director (Safety and Environment)	0.19	5.56%	4.9
11	Prashant Mehra President & CEO (Packaging Films Business & LF & CF)	6.01	165.49%	Not Applicable
12	Prashant Yadav President & CEO (Fluorochemicals and Engineering Plastics Business)	5.98	165.33%	Not Applicable

S. N.	Name of Director/KMP and Designation	Remuneration of Director(s)/ KMP(s) for financial year 2018-19 (₹ Crores)	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director to median remuneration of employees
13	Anurag Jain President & CEO (Speciality Chemicals Business & CTG)	6.02	164.04%	Not Applicable
14	Sanjay Chatrath President & CEO (Technical Textiles Business)	1.88	33.33%	Not Applicable
15	Anoop k Joshi President, CFO & Company Secretary (Retired from the services of the Company on March 31, 2019)	2.18	32.12%	Not Applicable

(ii) The median remuneration of employees of the Company as on March 31, 2019 was ₹ 0.039 Crores as compared to ₹ 0.036 Crores as on March 31, 2018. The increase in median remuneration was 8.33% as compared to 2017-18.

(iii) There were 6296 permanent employees on the rolls of the Company as on March 31, 2019.

(iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Category	Average Increase
Employees' remuneration (other than Directors)	13.8%
Managerial remuneration (Directors)	13.7%

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. Some changes in the managerial remuneration mentioned above are due to allocation of shares to key managerial personnel under the Part - B SRF ESPS 2018 of SRF Limited Employees Long Term Share Based Incentive Plan – 2018.

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

For **and on behalf of the Board**

Arun Bharat Ram
Chairman
(DIN: 00694766)

Date: May 13, 2019
Place: Gurugram

Conservation of Energy – Measures taken:

1. Laminated Fabrics Business, Kashipur

- Saved 166,320 Kwh / annum through on-line inspection at cold laminating lines
- Saved 173,772 Kwh / annum by installing variable frequency drive in hot oil pumping systems at both the cold lamination lines
- Saved 38.38 MT of FO /annum by optimizing heating- cooling cycles at hot lamination process
- Saved 11,520 Kwh / annum by automating & replacing fluorescent lighting with LED based high bay lights in utility block

2. Coated Fabrics Business, Gummidipoondi

- Puf Panel project was executed for coating and lacquering control room – invested ₹ 8.5 lacs – benefit directly reduced 14 numbers of 2 Ton Ac to 9 numbers – energy saving was 85000 units / annum
- Method of operating the chiller gave good energy savings, varying the chiller set points in winter season from 7 deg to (10-12) deg based on the climate condition and in night time was introduced with nil investment
- Minimum coating line production of above 38000 sqm executed in many months gave good impact in power and fuel savings

3. Technical Textiles Business, Manali

- Installation of energy efficient transformers (Level-II standard) in LCSS:3 substation (1600KVA x 3 no's) - annualized saving- 538740 Kwh / annum
- Installation of LED street lights (30 no's) and textile area LED tube lights: 250 (Nos) - energy saving- 76120 Kwh / annum
- NY spinning – Quench AHU(2 no's) -energy efficient blower – energy saving- 119335Kwh / annum
- Comprehensive energy audit done by M/s. DESL for TTBM

4. Technical Textiles Business, Viralimalai

- Achieved a savings of 61495 Kwh / annum by replacing the existing fluorescent type light fitting with energy efficient LED light fitting resulting in saving of ₹ 4.2 lacs
- Achieved a savings of 693 Kwh / annum by installation of energy efficient motor in NDM pre dryer recirculation blower motor resulting in saving of ₹ 0.047 lacs
- Achieved a savings of 23506 Kwh / annum by replacing the existing mercury vapor type light fitting with energy efficient LED light fitting resulting in saving of ₹ 1.6 lacs

5. Technical Textiles Business, Gwalior

- Coro coating carried out in utility and process cooling tower pumps and energy saved 1.78 lacs Kwh / annum
- Power saved by replacing asbestos sheets (overhead shed) with transparent sheet in BSR godown /utility / DG area and saved power 0.27 lacs Kwh / annum
- Power reduction in refrigeration system to the tune of ~5.57 lacs Kwh by taking following action
    - o Effective utilization of energy efficient chillers by establishing better synergy (between old vs energy efficient chillers)
    - o Hot water temp reduced by 3 deg. cent in hot water coil of quench air washer (Post reducing losses through PUF insulated panels of Quench body)
    - o Chilled water pressure optimization in poly
- Power saved worth (0.9 lacs Kwh) in lubricating oil pump by changing the operation philosophy at DG

6. Technical Textiles Business, Gummidipoondi

- Saving of 66780 Kwh / annum due to installation of air blower for aeration in place of compressed air. Air consumption reduction resulting in saving of ₹ 3.7 lacs

- Savings of 15189 Kwh / annum by Installation of VFD for PIY panel room AHUs resulting in saving of ₹ 0.84 lacs
- Savings of 135304 Kwh / annum due to compressed air optimization (specific power consumption reduction & minimization of air consumption through ultrasonic air leak audit) resulting in savings of ₹ 7.49 lacs
- Savings of 276930 Kwh / annum by speed reduction & stopping of fan in T/W AHU & take-up AHU resulting in savings of ₹15.34 lacs
- Savings of 537505Kwh / annum by optimum utilization of chiller & auxiliaries resulting in savings of ₹ 29.77 lacs
- Saving of 34266 Kwh / Annum from installation of LED lights resulting in saving of ₹ 2 lacs
- 4MW solar power plant generated 6890912 Kwh renewable energy, resulting 5942 tons CO_2 emission avoided

7. Packaging Films Business, Indore (SEZ)

- Saved 157500 KWH by installation of low RPM thermic fluid pump in thermic fluid secondary loop
- Saved 73500 KWH by modification of the logic of Transverse Direction Orienter (TDO) supply and exhaust blower of zone 1-8
- Saved 70000 KWH by replacing lower KW motor of line I root blower
- Saved 50000 KWH by up-gradation of utility cooling tower
- Saved 42000 KWH by modification of logic of line II Take up and Transfer (TUT) trim cutter stoppage on plant stop
- Saved 24850 KWH by modification in plant lighting
- Saved 19950 KWH by making provision of double set point for temperature to ensure energy saving during plant stoppage in chill roll

8. Packaging Films Business, Indore DTA

- Saved 340000 KWH by using the close loop cooling tower in winder-slitter air handling unit
- Saved 73000 KWH in plant lighting by using the motion sensors & day night timer

9. Packaging Films Business, Kashipur

- Saving of 288000 KWH during winters by using cooling water in air handling units during winters for plant air conditioning
- Saving of 120000 KWH by modifying the metallizer cooling water circuit to use close loop cooling tower
- Saving of 21600 KWH during winters by using single air handling unit for slitter & winder
- Saving of 18000 KWH by running single pump for chilled water

10. SCB Bhiwadi

- Saving of electricity by replacing reciprocating type water chiller to screw type water chiller resulted in savings of ₹ 17.5 lacs

11. SCB Dahej

- Installation of higher capacity, more efficient pumps in cooling tower of FMP1 & P14 and stopping 4 pumps resulted in savings of ₹ 35 lacs / annum
- Modification in chilled water system of P17 to reduce chiller load resulted in savings of ₹ 15 lacs / annum
- MPP2 brine pump impeller size optimization resulted in savings of ₹ 37 lacs / annum
- Replacement of CFL by LEDS resulted in savings of ₹ 17 lacs / annum
- Change in motor connection for under loaded motors resulted in savings of ₹ 5.8 lacs / annum

12. FCB Bhiwadi

- Savings of ₹137 lacs kCal of energy (₹63 lacs) by replacing double shell rotary dryer to steam paddle dryer

- Saving of 54000 KWH of electricity (₹4.4 lacs) by installation of variable frequency drive in crude gas compressor of F22 plant
- Saving of 54600 KWH electricity (₹4.4 lacs) by installation of variable frequency drive in P505 hot oil pump in F32 plant
- Saving of 38112 KWH of electricity (₹3.1 lacs) by replacing conventional lighting with LED lights
- Saving of 34900 KWH electricity (₹2.8 lacs) by installing variable frequency drive in raw water pump of DM plant

13. FCB Dahej

- Savings of 13.2 lac KWH per annum (₹66 lacs) by reducing kW/TR in FCB chilling Plants from average 1.8 TR to 1.6 TR
- Savings of 2.4 lac KWH per annum (₹12 lacs) by reducing kWHr/NM3 in FCB air compressors by 5%
- Savings of 60000 KLD of water in 6 months (₹21 lacs) by recycling and reuse of RO permeate water in all cooling towers make up
- Savings of 54759 KWH of electricity (₹10 lacs) by replacement of conventional lighting by LED lighting

14. EP Manali

- Air compressor power consumption reduction by installing high efficient compressor (reciprocating compressor) - energy saving- 24,000KWH / annum – ₹ 1.35 lacs
- Installation of 4 energy efficient motors with VFD connected in utility (7.5 KW) – energy saving- 70,800KWH / annum – ₹ 3.98 lacs

15. EP Pantnagar

- Plant & street lights replaced with LED lamps – energy saving – 57,700 KWH / annum – ₹ 3.99 lacs
- Optimization of raw material filtration process – energy saving – 54,000KWH / annum – ₹ 3.74 lacs

Steps taken by the company for utilizing alternate sources of energy:

Packaging Films Business, Kashipur

- Saved 6.0 Lakhs rupees by procuring power through Open Access at IEX platform

Capital Investment on energy conservation equipment:

Description of Asset	Amount
Technical Textile Business, Manali	
LCSS 3 Distribution Transformers – Upgradation of obsolete	60.09 lacs
Packaging Film Business, Indore SEZ	
Low RPM pump installation	6.13 lacs

Technology Absorption

1. Technical Textile Business, Gwalior

- Decanter system was installed and commissioned for sludge separation
- Sewage treatment plant having Mixed bed bio reactor (MBBR) technology was installed & commissioned
- Water harvesting system was provided in admin, canteen and lactam building

i) The efforts made towards technology absorption and the benefits derived like product improvement, cost reduction, product development or import substitution.

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

Apart from the developments in existing business space, novel products involving Nanotechnology 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.

Specialty Chemicals Business

The Business focuses on R&D and technology development at SRF to develop new age molecules for leading innovators in Agrochemical and Pharmaceutical space. These molecules are used as intermediates in the development of the final product. The R&D and technology teams scale up the technology for commercial production of intermediates to meet emerging opportunities in the Business.

The SCB Business was able to showcase its Innovation and Technology Leadership position during the year by getting the coveted 'Syngenta Supplier Award for Innovation' at the 'Syngenta Global Suppliers Meet' in Germany. SCB won the award by differentiating itself from a number of globally reputed Syngenta suppliers.

The Business commissioned its first state of the art cGMP plant during the year and also leveraged the technology to move up in the value chain by introducing an Active Ingredient (AI) in its product offering.

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

- Finding solutions to complex chemistries and exploring novel routes, to bring cost efficient production process
- Technological learnings from new projects were deployed horizontally to enrich overall delivery
- Introduction of new technologies in some new products that will be unique

The Business would continue to focus on the deriving the benefits of technological learnings emanating from continuous process improvements and technological advancements.

Engineering Plastics Business

The pace at which our customers are introducing new products into the market has rapidly increased. This, in addition to the ongoing material development activity, has created an opportunity for the business to enter into the novel field of integrated solution development. The team can now leverage the strong material developments skills with the newly acquired skills of product design and computational modelling to provide an integrated solution to customers.

The need to eliminate painting on moulded parts continues to be a key focus area for the Research & Development teams. Additionally the team has also developed solution to speed up clean welding process, which will be the need of the hour in the days to come. As some polymers faced global scarcity, the team succeeded in developing solution with alternate polymers to alleviate the challenges faced by the industry. The team is now geared up to provide end-to-end solution to our customers.

BUSINESS OVERVIEW

STATUTORY REPORTS

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(C) Foreign exchange earnings and outgo

(₹ Crores)

Particulars	Year ended March 31, 2018	Year ended March 31, 2019
Foreign Exchange Earnings	1442.20	**2250.11**
Foreign Exchange outgo	1789.88	**2224.79**
Net Foreign Exchange Earnings	(347.68)	**25.32**

For **and on behalf of the Board**

Arun Bharat Ram
Chairman
(DIN: 00694766)

Date: May 13, 2019
Place: Gurugram

Annexure IX to the Board's Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I.	**REGISTRATION AND OTHER DETAILS**	
i)	CIN	L18101DL1970PLC005197
ii)	Registration Date	9^{th} January, 1970
iii)	Name of the Company	SRF Limited
iv)	Category/Sub-category of the Company	Public Company/Limited by shares
v)	Address of the Registered Office and contact details	The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2^{nd} Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091 Tel : +91 11 49482870 Fax : +91 11 49482900
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any.	Karvy Fintech Private Limited Karvy Selenium Tower-B Plot No. 31 & 32, Financial District, Gachibowli Nanakramguda, Hyderabad 500 032 Tel No.: +91 040 6716 2222, Fax No.: +91 2300 1153 Toll Free: 1800-345-4001 E-mail: einward.ris@karvy.com
II.	**PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**	
	All the business activities contributing 10% or more of the total turnover of the Company	As per Attachment A
III.	**PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**	As per Attachment B
IV.	**SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**	
i)	Category-wise Share Holding	As per Attachment C
ii)	Shareholding of Promoters	As per Attachment D
iii)	Change in Promoter's Shareholding	As per Attachment E
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment F
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment G
V.	**INDEBTEDNESS**	
	Indebtedness of the Company including interest outstanding /accrued but not due for payment	As per Attachment H

VI.		**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**	
	i)	Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment I
	ii)	Remuneration to other Directors	As per Attachment J
	iii)	Remuneration to Key Managerial Personnel other than MD/Manager/WTD	As per Attachment K
VII.		**PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCES**	As per Attachment L

ATTACHMENT A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given below-

S. No.	Name and Description of main products /services	NIC Code of the product/ service *	% to total turnover of the Company
1.	Technical Textiles Business	139	26.85%
2.	Chemicals and Polymers Business	201, 210	37.84%
3.	Packaging Films Business	222	27.18%

*As per National Industrial Classification- Ministry of Statistics and Programme Implementation.

ATTACHMENT B

III. Particulars of holding, subsidiary and associate companies

S. No.	Name of Company	Address of Company	CIN/GLN	Holding /Subsidiary /Associate	% of shares held	Applicable Section
1.	KAMA Holdings Ltd.	Unit no. 236 & 237, 2nd floor DLF Galleria, Mayur place Noida Link Road Mayur Vihar Phase-1 Extension Delhi-110091	L92199DL2000PLC104779	Holding	52.28	2(46)
2.	SRF Global B.V.	Keizersgracht 391A, 1016EJ, Amsterdam, the Netherlands	N.A.	Subsidiary	100.00	2(87)(ii)
3.	SRF Industries (Thailand) Ltd.	3, Map to Phut Industrial Estate, I -1 Road, Amphur Muang, P.O. Box – 61, Rayong Province, Thailand	N.A.	Subsidiary	100.00	2(87)(ii)
4.	SRF Flexipak (South Africa) (Pty) Ltd.	5, Eddie Hagan Drive, Cato Ridge, KwaZulu-Natal, South Africa	N.A.	Subsidiary	100.00	2(87)(ii)
5.	SRF Industex Belting (Pty) Ltd.	5, Eddie Hagan Drive, Cato Ridge, Kwazulu-Natal, South Africa	N.A.	Subsidiary	100.00	2(87)(ii)
6.	SRF Europe Kft	1053 Budapest, Károlyi utca 12. 3. emelet, Hungary	N.A	Subsidiary	100.00	2(87)(ii)

S. No.	Name of Company	Address of Company	CIN/GLN	Holding /Subsidiary /Associate	% of shares held	Applicable Section
7.	SRF Holiday Home Ltd.	Unit no. 236 & 237, 2nd floor DLF Galleria, Mayur place Noida Link Road Mayur Vihar Phase-1 Extension Delhi-110091	U45200DL2006PLC156147	Subsidiary	100.00	2(87)(ii)
8.	Malanpur Captive Power Ltd.	Thapar House, 124, Janpath, New Delhi - 110 001	U74909DL2005PLC131985	Associate	22.60	2(6)
9.	Vaayu Renewable Energy (Tapti) Private Limited	Harekrishna Presidency Society, North South Road No. 8, Vile Parle (West), Mumbai- 400 053	U40300MH2011PTC219995	Associate	26.32	2(6)

ATTACHMENT C

IV. Shareholding pattern (equity share capital breakup as percentage of total equity)

i. Category-wise Share Holding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				% #CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	INDIAN									
(a)	Individual /HUF	27500	0	27500	0.05	27500	0	27500	0.05	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	30049000	0	30049000	52.33	30049000	0	30049000	52.28	-0.05
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	**30076500**	**0**	**30076500**	**52.38**	**30076500**	**0**	**30076500**	**52.33**	**-0.05**
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total A=A(1)+A(2)	**30076500**	**0**	**30076500**	**52.38**	**30076500**	**0**	**30076500**	**52.33**	**-0.05**
(B)	**PUBLIC SHAREHOLDING**									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	6173208	4403	6177611	10.76	6780744	4403	6785147	11.80	1.05
(b)	Financial Institutions /Banks	54207	4614	58821	0.10	33162	4789	37951	0.07	-0.04
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				% #CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	434710	200	434910	0.76	329710	200	329910	0.57	-0.18
(f)	Foreign Institutional Investors	11359824	0	11359824	19.78	9828076	0	9828076	17.10	-2.69
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	**18021949**	**9217**	**18031166**	**31.40**	**16971692**	**9392**	**16981084**	**29.54**	**-1.86**
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	806650	21634	828284	1.44	1969477	18034	1987511	3.45	2.02
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lacs	5459066	1230647	6689713	11.65	5515092	996087	6511179	11.32	-0.32
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lacs	683949	0	683949	1.19	677562	0	677562	1.18	-0.01
(c)	Others									
	CLEARING MEMBERS	58607	0	58607	0.10	61713	0	61713	0.11	0.01
	* I E P F	272678	0	272678	0.47	338789	0	338789	0.59	0.11
	NBFC	16005	0	16005	0.03	38160	0	38160	0.07	0.04
	NON RESIDENT INDIANS	74586	6020	80606	0.14	103555	5814	109369	0.19	0.05
	NRI NON-REPATRIATION	680877	0	680877	1.19	694399	0	694399	1.21	0.02
	TRUSTS	2115	0	2115	0.00	4234	0	4234	0.01	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	8054533	1258301	9312834	16.22	9402981	1019935	10422916	18.13	1.91
	Total B=B(1)+B(2) :	26076482	1267518	27344000	47.62	26374673	1029327	27404000	47.67	0.05
	Total (A+B) :	56152982	1267518	57420500	100.00	56451173	1029327	57480500	100.00	0.00
(C)	**Shares held by custodians, against which Depository Receipts have been issued**									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	**56152982**	**1267518**	**57420500**	**100.00**	**56451173**	**1029327**	**57480500**	**100.00**	

*The voting rights on these shares shall remain frozen till the rightful owner claims the shares (Refer to Section 124 of the Companies Act, 2013).

#Total issued Capital increased from 57420500 shares to 57480500 shares due to allotment of 60,000 Equity Shares under Part-B SRF ESPS 2018 of SRF Limited Employees Long Term Share Based Incentive Plan – 2018.

ATTACHMENT D

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (01/04/2018)			Shareholding at the end of the year (31/03/2019)			*% change in shareholding during the year
		No. of Shares	% of total Shares of the co.	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the co	%of Shares Pledged / encumbered to total shares	
1.	KAMA Holdings Limited	3,00,49,000	52.33	0.00	3,00,49,000	52.28	0.00	0.05
2.	Arun Bharat Ram	27,500	0.05	0.00	27,500	0.05	0.00	0.00
	Total	**3,00,76,500**	**52.38**	**0.00**	**3,00,76,500**	**52.33**	**0.00**	**0.05**

***Change in percentage of shareholding is due to allotment of 60,000 shares under ESPS during the financial year 2018-19.

ATTACHMENT E

iv. Change in Promoters' Shareholding

Sr. No	Shareholder's Name	Shareholding			Increase/ Decrease in Shareholding	Cumulative Holding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares at the beginning (01/04/2018) / end of the year (31/03/2019)	*% of total Shares of the company	Date		No. of Shares	*% of total Shares of the company
1.	KAMA Holdings Limited	3,00,49,000	52.33	01-Apr-18	No Change	3,00,49,000	52.33
		3,00,49,000	52.28	31-Mar-19		3,00,49,000	52.28
2.	Arun Bharat Ram	27,500	0.05	01-Apr-18		27,500	0.05
		27,500	0.05	31-Mar-19		27,500	0.05

*Change in percentage of shareholding is due to allotment of 60,000 Equity shares during the year under Part-B SRF ESPS 2018 of SRF Limited Employees Long Term Share Based Incentive Plan – 2018.

ATTACHMENT F

v. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) as on 31st March, 2019

S. No.	Shareholder's Name#	Shareholding		Increase/ Decrease in Shareholding				Cumulative Holding during the year (01/04/2018 to (31/03/2019)	
		No. of shares at the beginning (01/04/2018)/ end of the year (31/03/2019)	% of total shares of the company*	Date	Buying	Selling	Reason	No. of Shares	% of total shares of the company*
1	AMANSA HOLDINGS PRIVATE LIMITED	4442241	7.74	1/4/2018				4442241	7.74
		4442241	7.73	31/03/2019				4442241	7.73
2	KOTAK EQUITY HYBRID	470647	0.82	1/4/2018				470647	0.82
				06/04/2018		35000	Transfer	435647	0.76
				13/04/2018		16500	Transfer	419147	0.73
				20/04/2018		49500	Transfer	369647	0.64
				27/04/2018		5500	Transfer	364147	0.63
				04/05/2018		20000	Transfer	344147	0.60
				11/05/2018	1000		Transfer	345147	0.60
				18/05/2018	18000		Transfer	363147	0.63
				25/05/2018		12669	Transfer	350478	0.61
				01/06/2018	669		Transfer	351147	0.61
				08/06/2018	41500		Transfer	392647	0.68
				15/06/2018	19000		Transfer	411647	0.72
				22/06/2018	500		Transfer	412147	0.72
				29/06/2018	144500		Transfer	556647	0.97
				06/07/2018	1000		Transfer	557647	0.97
				20/07/2018	54837		Transfer	612484	1.07
				20/07/2018		14000	Transfer	598484	1.04
				27/07/2018	63366		Transfer	661850	1.15
				27/07/2018		91000	Transfer	570850	0.99
				03/08/2018		42000	Transfer	528850	0.92
				10/08/2018		64001	Transfer	464849	0.81
				17/08/2018	25500		Transfer	490349	0.85
				24/08/2018	36500		Transfer	526849	0.92
				31/08/2018	99500		Transfer	626349	1.09
				07/09/2018	3500		Transfer	629849	1.10
				14/09/2018	9500		Transfer	639349	1.11
				28/09/2018		60500	Transfer	578849	1.01
				05/10/2018		1500	Transfer	577349	1.00
				12/10/2018		51000	Transfer	526349	0.92

S. No.	Shareholder's Name#	Shareholding		Increase/ Decrease in Shareholding				Cumulative Holding during the year (01/04/2018 to (31/03/2019)	
		No. of shares at the beginning (01/04/2018)/ end of the year (31/03/2019)	% of total shares of the company*	Date	Buying	Selling	Reason	No. of Shares	% of total shares of the company*
				19/10/2018	2500		Transfer	528849	0.92
				26/10/2018	20000		Transfer	548849	0.95
				26/10/2018		7000	Transfer	541849	0.94
				02/11/2018		53000	Transfer	488849	0.85
				09/11/2018		8000	Transfer	480849	0.84
				16/11/2018	1000		Transfer	481849	0.84
				23/11/2018	13500		Transfer	495349	0.86
				30/11/2018	11000		Transfer	506349	0.88
				07/12/2018	9000		Transfer	515349	0.90
				28/12/2018	371947		Transfer	887296	1.54
				31/12/2018	167090		Transfer	1054386	1.83
				04/01/2019	197641		Transfer	1252027	2.18
				11/01/2019	15741		Transfer	1267768	2.21
				18/01/2019	40500		Transfer	1308268	2.28
				25/01/2019		21500	Transfer	1286768	2.24
				01/02/2019		25000	Transfer	1261768	2.20
				08/02/2019	233214		Transfer	1494982	2.60
				08/02/2019		8000	Transfer	1486982	2.59
				15/02/2019	5000		Transfer	1491982	2.60
				01/03/2019	180104		Transfer	1672086	2.91
				01/03/2019		41500	Transfer	1630586	2.84
				08/03/2019	61963		Transfer	1692549	2.94
				08/03/2019		36500	Transfer	1656049	2.88
				15/03/2019	12578		Transfer	1668627	2.90
		2428388	4.22	31/03/2019	759761		Transfer	2428388	4.22
3	DSP BLACK ROCK MUTUAL FUND	2951511	5.14	1/4/2018				2951511	5.14
				06/04/2018	45632		Transfer	2997143	5.22
				13/04/2018	1000		Transfer	2998143	5.22
				13/04/2018		8500	Transfer	2989643	5.21
				04/05/2018		13208	Transfer	2976435	5.18
				11/05/2018		18653	Transfer	2957782	5.15
				25/05/2018	29494		Transfer	2987276	5.20
				06/07/2018	32367		Transfer	3019643	5.26
				13/07/2018	10027		Transfer	3029670	5.28
				20/07/2018	15092		Transfer	3044762	5.30
				27/07/2018	93135		Transfer	3137897	5.46
				03/08/2018	4361		Transfer	3142258	5.47
				10/08/2018		39063	Transfer	3103195	5.40
				17/08/2018		129217	Transfer	2973978	5.17
				24/08/2018		78915	Transfer	2895063	5.04
				31/08/2018		35511	Transfer	2859552	4.97
				19/10/2018		210049	Transfer	2649503	4.61
				26/10/2018		122484	Transfer	2527019	4.40
				09/11/2018		163922	Transfer	2363097	4.11
				16/11/2018		228806	Transfer	2134291	3.71
				23/11/2018		16851	Transfer	2117440	3.68
				21/12/2018		2505	Transfer	2114935	3.68
				28/12/2018		401053	Transfer	1713882	2.98
				31/12/2018		28016	Transfer	1685866	2.93
				04/01/2019	1500		Transfer	1687366	2.94
				04/01/2019		36589	Transfer	1650777	2.87
				11/01/2019		71530	Transfer	1579247	2.75
				18/01/2019		4385	Transfer	1574862	2.74
				25/01/2019		1500	Transfer	1573362	2.74

S. No.	Shareholder's Name#	Shareholding		Increase/ Decrease in Shareholding				Cumulative Holding during the year (01/04/2018 to (31/03/2019)	
		No. of shares at the beginning (01/04/2018)/ end of the year (31/03/2019)	% of total shares of the company*	Date	Buying	Selling	Reason	No. of Shares	% of total shares of the company*
				01/02/2019		61990	Transfer	1511372	2.63
				08/02/2019		47032	Transfer	1464340	2.55
		1464840	2.55	31/03/2019	500		Transfer	1464840	2.55
4	KOTAK FUNDS - INDIA MIDCAP FUND	437443	0.76	1/4/2018				437443	0.76
				13/04/2018	2527		Transfer	439970	0.77
				20/04/2018	55593		Transfer	495563	0.86
				27/04/2018	29810		Transfer	525373	0.91
				04/05/2018	1992		Transfer	527365	0.92
				25/05/2018	92154		Transfer	619519	1.08
				08/06/2018	25000		Transfer	644519	1.12
				29/06/2018	37178		Transfer	681697	1.19
				20/07/2018	23284		Transfer	704981	1.23
				27/07/2018	665		Transfer	705646	1.23
				10/08/2018	1783		Transfer	707429	1.23
				17/08/2018	46609		Transfer	754038	1.31
				28/09/2018	6872		Transfer	760910	1.32
				12/10/2018	23973		Transfer	784883	1.37
				02/11/2018	23383		Transfer	808266	1.41
				09/11/2018	111910		Transfer	920176	1.60
				28/12/2018	3450		Transfer	923626	1.61
				08/02/2019	65000		Transfer	988626	1.72
		988626	1.72	31/03/2019				988626	1.72
5	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	0	0.00	1/4/2018				0	0.00
				28/09/2018	61000		Transfer	61000	0.11
				12/10/2018	81000		Transfer	142000	0.25
				19/10/2018	156500		Transfer	298500	0.52
				26/10/2018	111500		Transfer	410000	0.71
				09/11/2018	100000		Transfer	510000	0.89
				11/01/2019	100000		Transfer	610000	1.06
				25/01/2019	101700		Transfer	711700	1.24
				01/02/2019	26500		Transfer	738200	1.28
				01/03/2019		50000	Transfer	688200	1.20
				15/03/2019	10000		Transfer	698200	1.21
		698200	1.21	31/03/2019				698200	1.21
6	CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE	1368	0.00	01/04/2018				1368	0.00
				06/04/2018	90		Transfer	1458	0.00
				20/04/2018	128		Transfer	1586	0.00
				18/05/2018	51		Transfer	1637	0.00
				01/06/2018	136896		Transfer	138533	0.24
				15/06/2018	95		Transfer	138628	0.24
				22/06/2018	15478		Transfer	154106	0.27
				29/06/2018	96500		Transfer	250606	0.44
				06/07/2018		1916	Transfer	248690	0.43
				13/07/2018		4554	Transfer	244136	0.43
				20/07/2018	71		Transfer	244207	0.43
				27/07/2018		1610	Transfer	242597	0.42
				03/08/2018	93303		Transfer	335900	0.58
				10/08/2018		240	Transfer	335660	0.58
				17/08/2018	59060		Transfer	394720	0.69
				24/08/2018		2926	Transfer	391794	0.68
				07/09/2018		1860	Transfer	389934	0.68
				14/09/2018	57844		Transfer	447778	0.78

S. No.	Shareholder's Name#	Shareholding		Increase/ Decrease in Shareholding				Cumulative Holding during the year (01/04/2018 to (31/03/2019)	
		No. of shares at the beginning (01/04/2018)/ end of the year (31/03/2019)	% of total shares of the company*	Date	Buying	Selling	Reason	No. of Shares	% of total shares of the company*
				21/09/2018	75906		Transfer	523684	0.91
				28/09/2018		5839	Transfer	517845	0.90
				05/10/2018	52640		Transfer	570485	0.99
				12/10/2018		22	Transfer	570463	0.99
				19/10/2018	3809		Transfer	574272	1.00
				26/10/2018		1424	Transfer	572848	1.00
				02/11/2018		722	Transfer	572126	1.00
				09/11/2018	111413		Transfer	683539	1.19
				16/11/2018	1218		Transfer	684757	1.19
				23/11/2018		1058	Transfer	683699	1.19
				30/11/2018	89		Transfer	683788	1.19
				07/12/2018		2218	Transfer	681570	1.19
				14/12/2018		1415	Transfer	680155	1.18
				21/12/2018		964	Transfer	679191	1.18
				28/12/2018		36878	Transfer	642313	1.12
				31/12/2018	15143		Transfer	657456	1.14
				04/01/2019	14028		Transfer	671484	1.17
				11/01/2019	756		Transfer	672240	1.17
				01/02/2019	578		Transfer	672818	1.17
				08/02/2019	252		Transfer	673070	1.17
				15/02/2019		1055	Transfer	672015	1.17
				22/02/2019		3286	Transfer	668729	1.16
				01/03/2019	1079		Transfer	669808	1.17
				08/03/2019		3291	Transfer	666517	1.16
				15/03/2019		9348	Transfer	657169	1.14
		652612	1.14	31/03/2019		4557	Transfer	652612	1.14
7	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL	1058633	1.84	1/4/2018				1058633	1.84
				22/03/19		480274	Transfer		
		578359	1.01	31/03/2019				578359	1.01
8	RELIANCE CAPITAL TRUSTEE CO LTD.A/C RELIANCE FUND GROWTH	294007	0.51	01/04/2018				294007	0.51
				06/04/2018	80000		Transfer	374007	0.65
				22/06/2018	1500		Transfer	375507	0.65
				29/06/2018	54000		Transfer	429507	0.75
				06/07/2018	203687		Transfer	633194	1.10
				13/07/2018	66996		Transfer	700190	1.22
				20/07/2018	11000		Transfer	711190	1.24
				27/07/2018	186939		Transfer	898129	1.56
				31/08/2018	32500		Transfer	930629	1.62
				07/09/2018	20000		Transfer	950629	1.65
				14/09/2018	18000		Transfer	968629	1.69
				28/09/2018		5000	Transfer	963629	1.68
				05/10/2018	6500		Transfer	970129	1.69
				12/10/2018		145500	Transfer	824629	1.43
				02/11/2018		112000	Transfer	712629	1.24
				09/11/2018		5500	Transfer	707129	1.23
				16/11/2018	29000		Transfer	736129	1.28
				23/11/2018	8500		Transfer	744629	1.30
				21/12/2018		21000	Transfer	723629	1.26
				28/12/2018	173000		Transfer	896629	1.56
				28/12/2018		222000	Transfer	674629	1.17
				31/12/2018	4000		Transfer	678629	1.18
				11/01/2019	12000		Transfer	690629	1.20
				01/02/2019	451		Transfer	691080	1.20

S. No.	Shareholder's Name#	Shareholding		Increase/ Decrease in Shareholding				Cumulative Holding during the year (01/04/2018 to (31/03/2019)	
		No. of shares at the beginning (01/04/2018)/ end of the year (31/03/2019)	% of total shares of the company*	Date	Buying	Selling	Reason	No. of Shares	% of total shares of the company*
				01/02/2019		36500	Transfer	654580	1.14
				08/02/2019	6		Transfer	654586	1.14
				01/03/2019	6		Transfer	654592	1.14
				01/03/2019		24000	Transfer	630592	1.10
				08/03/2019	1751		Transfer	632343	1.10
				08/03/2019		62000	Transfer	570343	0.99
				15/03/2019	231		Transfer	570574	0.99
				15/03/2019		36500	Transfer	534074	0.93
		511378	0.89	31/03/2019		22696	Transfer	511378	0.89
9	AKASH PREM PRAKASH	459000	0.80	1/4/2018				459000	0.80
		459000	0.80	31/03/2019				459000	0.80
10	VANTAGE EQUITY FUND	314500	0.55	1/4/2018				314500	0.55
				20/04/2018	85500		Transfer	400000	0.70
				06/07/2018	19500		Transfer	419500	0.73
				13/07/2018	80500		Transfer	500000	0.87
				28/12/2018		157000	Transfer	343000	0.60
				01/02/2019		1000	Transfer	342000	0.59
		342000	0.59	31/03/2019				342000	0.59

#Based on PAN

* During the year 2018-19 paid up share capital of the Company increased by 60,000 Equity shares of ₹ 10/- each issued under Part-B SRF ESPS 2018 of SRF Limited Employees Long Term Share Based Incentive Plan – 2018.

ATTACHMENT G

vii. Shareholding of Directors and Key Managerial Personnel

Sr. No	Shareholder's Name	Shareholding		Date	Increase/ Decrease in Shareholding No. of Shares	Reason	Cumulative Holding during the year (01/04/2018 to 31/03/2019)	
		No. of Shares at the beginning (01/04/2018) / end of the year (31/03/2019)	% of total Shares of the company				No. of Shares	% of total Shares of the company*
1	Arun Bharat Ram (Chairman)	27500	0.05	01-Apr-18 31-Mar-19	-	Nil movement during the year	**27500**	**0.05**
2	Vellayan Subbiah (Independent Director)	13407	0.02	01-Apr-18 31-Mar-19		Nil movement during the year	**13407**	**0.02**
3	Anoop K Joshi# KMP-President, CFO & Company Secretary	2500	0.00 0.00	01-Apr-18 31-Mar-19	-	Nil movement during the year	**2500**	**0.00**
4	Prashant Mehra KMP-President & CEO-(PFB, LF & CF)	950 21800	0.00 0.00	01-Apr-18 31-Mar-19	20950	20,000 Shares Alloted under ESPS	**21800**	**0.04**
5	Prashant Yadav KMP-President & CEO- (FCB & EP)	200 20200	0.00 0.00	01-Apr-18 31-Mar-19	20000	20,000 Shares Alloted under ESPS	**20200**	**0.04**
6.	Anurag Jain KMP- President & CEO (SCB & CTG)	600 21100	0.00 0.00	01-Apr-18 31-Mar-19	20500	20,000 Shares Alloted under ESPS	**21100**	**0.04**
7.	Sanjay Chatrath KMP- President & CEO (TTB)	900	0.00 0.00	01-Apr-18 31-Mar-19	-	Nil movement during the year	**900**	**0.00**

*During the year 2018-19 paid up share capital of the Company increased by 60,000 Equity shares issued under Part-B SRF ESPS 2018 of SRF Limited Employees Long Term Share Based Incentive Plan – 2018.

#Retired from the services of the Company from the closing of business hour of March 31, 2019

ATTACHMENT H

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on March 31, 2019

(₹ Crores)

Particulars	Secured Loan excluding Deposits	Unsecured Loan	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial year (April 1, 2018)				
(i) Principal Amount	2,011.83	466.63	0.01	2,478.47
(ii) Interest Due but not paid				-
(iii) Interest Accrued but not due	21.48	0.45		21.93
Total (i+ii+iii)	**2,033.31**	**467.08**	**0.01**	**2,500.40**
Change in indebtedness during the year				
Addition	3,194.76	5,367.10	-	8,561.86
Reduction	(2,802.93)	(5,126.26)	-	(7,929.19)
Change in Interest Accrued	6.81	0.66	-	7.47
Net Change	**398.64**	**241.50**	**-**	**640.14**
Indebtedness at the end of the financial year (March 31, 2019)				
(i) Principal Amount	2,403.66	707.47	0.01	3,111.14
(ii) Interest Due but not paid	-	-	-	-
(iii) Interest Accrued but not due	28.29	1.11	-	29.40
Total (i+ii+iii)	**2,431.95**	**708.58**	**0.01**	**3,140.54**

* Represent amounts of public deposits received under erstwhile FD scheme of the Company which couldn't be refunded due to orders from Government authorities.

ATTACHMENT I

VI. Remuneration of directors and key managerial personnel

A. Remuneration to Managing Director, Whole-time Director and/or Manager

(₹ Crores)

S. NO.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Arun Bharat Ram Chairman	Ashish Bharat Ram Managing Director	Kartik Bharat Ram Deputy Managing Director	Pramod G Gujarathi Director (Safety & Environment)	
1.	Gross Salary					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2.40	1.75	1.76	0.18	6.09
	b) Value of perquisites u/s 17(2) of the Income – tax Act, 1961	0.01	1.63	1.65	-	3.29
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option/purchase	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- As % of profit	2.50	2.00	2.00	-	6.50
	- Others	-	-	-	-	-
5.	Others	0.29	0.21	0.21	0.01	0.72
	TOTAL (A)	**5.20**	**5.59**	**5.62**	**0.19**	**16.60**
	Ceiling as per the Act		₹ 69.66 Crores (being 10% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013).			

ATTACHMENT J

a. Remuneration to other Directors

(₹ Crores)

S. No.	Particulars of Remuneration	Vinayak Chatterjee	Lakshman Lakshminarayan	Vellayan Subbiah	#Pramod Bhasin	Tejpreet Singh Chopra	Dr. Meenakshi Gopinath	Total
1	**Independent Directors**							
	-Fee for attending Board / committee meetings	0.06	0.04	0.03	0.02	0.04	-	0.19
	-Commission	0.10	0.10	0.10	0.10	0.10	-	0.50
	-Others	-	-	-	-	-	-	-
2	**Other Non-Executive Directors**	-	-	-	-	-	-	-

S. No.	Particulars of Remuneration	Vinayak Chatterjee	Lakshman Lakshminarayan	Vellayan Subbiah	#Pramod Bhasin	Tejpreet Singh Chopra	Dr. Meenakshi Gopinath	Total
	-Fee for attending Board / committee meetings	-	-	-	-	-	0.02	0.02
	-Commission	-	-	-	-	-	-	-
	-Others	-	-	-	-	-	0.13	0.13
	TOTAL (B)=(1+2)	**0.16**	**0.14**	**0.13**	**0.12**	**0.14**	**0.15**	**0.84**
	Ceiling as per the Act	₹ 6.97 Crores (being 1% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013)						
	TOTAL MANAGERIAL REMUNERATION* (A+B)							**17.44**
	Overall Ceiling as per the Act	₹ 76.63 Crores (being 11% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013)						

*Total remuneration to Chairman, Managing Director(s), Whole-time Director and other Directors.

#Resigned from the position of independent director wef 04.02.2019

ATTACHMENT K

b. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ Crores)

S. No.	Particulars of Remuneration	Key Managerial Personnel					
		Sanjay Chatrath President & CEO (TTB)	Prashant Mehra President & CEO (PFB, LF & CF)	Prashant Yadav President & CEO (FCB & EP)	Anurag Jain President & CEO (SCB & CTG)	Anoop K. Joshi President, CFO & CS	Total
1.	Gross Salary						
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1.63	2.27	2.25	2.30	2.65	11.10
	b) Value of perquisites u/s 17(2) of the Income – tax Act, 1961	0.06	0.12	0.08	0.11	0.08	0.45
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-	-	-
2.	Stock Option/purchase	-	3.43	3.43	3.43	-	10.29
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission	-	-	-	-	-	-
	- As % of profit - Others	-	-	-	-	-	-
5.	Others	0.06	0.08	0.08	0.08	0.06	0.36
	TOTAL	**1.75**	**5.90**	**5.84**	**5.92**	**2.79**	**22.20**

ATTACHMENT L

VII.PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment/ compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
COMPANY					
Penalty					
Punishment			**NIL**		
Compounding					
DIRECTORS					
Penalty					
Punishment			**NIL**		
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			**NIL**		
Compounding					

For and on behalf of the Board

Arun Bharat Ram
Chairman
(DIN: 00694766)

Date: May 13, 2019
Place: Gurugram

Management Discussion & Analysis

In the following pages, the Management will provide its perspective on the operating and financial performance of the Company during FY19 and an outlook of the business performance in the coming years.

Businesses

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

Technical Textiles Business

The **Technical Textiles Business** registered a healthy EBIDTA, with its various segments performing well. The domestic capacity reached utilization in the Tyre Cord Fabric and Polyester Industrial Yarn segments. Belting Fabric segment also reached capacity utilization, faring well in a dynamically competitive environment.

Tyre Cord Fabrics (TCF)

The Nylon Tyre Cord Fabric segment retained its market leadership in spite of tough competition and an increase in radialisation in the Bus and Truck Segment, which has reached close to 50%. The domestic demand for TCF was aided by capacity constraint in Bus & Truck radial segment, leading to spillover demand from radial into the bias segment.

Meanwhile, our manufacturing plants continued to improve its operational parameters significantly.

Belting Fabrics

With coal and cement industry growing at a steady rate, the Belting Fabrics segment registered a healthy domestic demand. However, with the denial of Anti-Dumping Duty (ADD) application on China, the margins were squeezed, due to an upsurge in the cheap Chinese imports. US-China trade war also resulted in aggressive pricing by the Chinese looking to offload their products in the Indian market.

On the operational front, additional capacity was commissioned, enhancing the total capacity by 18%.

Further capacity will be added based on demand. The Business continues to focus on rapid development of the Value Added Products.

Polyester Industrial Yarn Business

The demand for Polyester Yarn segment witnessed a healthy growth in the domestic market. With an Anti-Dumping Duty imposed on China, yarn imports were replaced by a demand for domestic yarn, thereby allowing domestic manufacturers to maximize capacity utilization. However, Non ADD Chinese/Taiwanese suppliers increased their share in the domestic market. US-China trade war created an opportunity for the Business to enter the US market. The Business continued to focus on ramping up sales of the Value Added Products.

Outlook

The Nylon Tyre Cord Fabrics consumption in India is likely to remain stable in FY20. A reasonable growth in belting fabric industry is likely to continue because of growing end-user industries.

Chemicals Business

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

Fluorochemicals

The Fluorochemicals Business (FCB) derives its revenue from the sale of refrigerants, pharma propellants and industrial chemicals. FCB has its manufacturing operations at Bhiwadi in Rajasthan and Dahej in Gujarat. With the planned capacity expansions currently underway, the Business is continuing its journey on the growth path.

Refrigerants & Propellants

SRF is the domestic market leader in the refrigerants space. Exports to more than 60 countries worldwide account for a significant portion of the overall revenue. The refrigerant product range marketed under the Company's FLORON® brand includes F-22, F-134a, F-32 and HFC Blends such as F-404A, F-407C, and F-410A. The business serves reputed OEMs manufacturing air-conditioners, refrigerators, pharmaceuticals, chillers and automobiles.

SRF is the only Indian manufacturer of HFC 134a and HFC 32 refrigerants, both of which have been developed using indigenous technology. SRF is already in the final stages of commissioning new facilities for HFCs, which will become operational in early FY20 and this will further strengthen our competitive advantage in all three major HFCs, namely HFC 134a, 32 and 125. It will also position us as one of the very few, best-in-class, fully backward integrated producers in the world.

SRF has also successfully converted some of the customers for Dymel® HFC 134a pharmaceutical propellant and has started commercial supplies from our Dahej cGMP facility.

During the course of the year, the air-conditioner manufacturing segment witnessed a transitioning of refrigerants from HCFC 22 to HFC Blends and HFC 32. With its wide product portfolio, SRF is well positioned to cater to the market requirements during this transition.

Macro-economic and other factors affecting this segment continue to show a positive trend in the coming year, especially in the consumer durables segment such as air-conditioners and refrigerators. However, the passenger vehicle segment is projected to witness modest growth during the year.

Overall, SRF will maintain the medium-term outlook for refrigerants to be positive.

Industrial Chemicals

SRF's main products in the Chloromethane space are Methylene Chloride, Chloroform and Carbon Tetra Chloride, which are used by the pharma and agrochemical customers. Other products in this segment are Trichloroethylene, Perchloroethylene and Dilute Hydrofluoric Acid. The Business is poised to gain in terms of revenue and profitability from this segment.

Outlook

With the overall sentiment in the market continuing to remain positive in FY20, the Business is expected to improve its performance with additions to the existing HFC capacity, better capacity utilization and other cost improvement initiatives.

The Business will focus on increasing its share of F 134a, F 32, F 125, HFC Blends and Methylene

Chloride, apart from its ongoing efforts to pursue growth in Industrial Chemicals.

Specialty Chemicals

The Specialty Chemicals Business remains focused on the agrochemical and pharmaceutical industry. It collaborates with major global innovators for process development, commercialization and production of complex new-age molecules. In the last three decades, the Business has developed world-class expertise in fluorination chemistry and is leveraging on this rich experience to consolidate its expertise in the non-fluorinated chemistries as well.

The Business saw limited opportunities in the first half of the year due to sluggishness in the agrochemical industry. However, the second half of the year showed signs of improvement.

Taking its innovation and technology leadership journey ahead, some new products were added to the existing portfolio. Three new plants were commissioned at Dahej, including a state-of-the-art cGMP plant, new Active Ingredient (AI) plant and additional production capacities at existing plants. The Business is now manufacturing Active Ingredient for a major agro customer. This significantly improves the positioning of the Business caliber and highlights its value proposition to deliver complex agrochemicals and related intermediates. The Business continues to focus on building its capability, both from a technology development front as well as in improving its operational efficiencies.

Outlook

The Business holds global leadership position in most of the products in its portfolio while it continues to invest in improving its capability and take up new age challenging molecules. The Business is strongly focused on increasing value to its customers through its sound technological knowledge and expertise.

The first cGMP plant has been commissioned and will be utilized during the year for targeted customers. The new AI plant and other intermediates plant, which were commissioned during last year, will be scaled up based on market needs.

The agrochemicals market is slowly picking pace, in line with the global trends. However, the market is still susceptible to pricing pressure coming from crude pricing and unpredictable weather conditions in the customer's market. New agrochemical projects continue to move forward and are expected to pick up pace in line with the market.

The Business holds an optimistic outlook for the coming year as it continues to stay invested in the long-term projects to drive growth in the Specialty Chemicals space.

Chemicals Technology Group

The Chemicals Technology Group (CTG) has been driving the development of new products and process technologies for our Fluorochemicals and Specialty Chemicals Businesses. CTG is introducing new technologies that are instrumental in the development of new intermediates for leading agro and pharma customers as well as the new generation refrigerants.

In view of the increasing complexity of the newly developed molecules and more challenging needs of the customers, CTG has been raising its capability continuously. CTG is committed to the journey of continuous process improvement and developing more efficient processes by tapping novel chemistries and scaling them up for successful commercialization.

The two dedicated R&D facilities, engineering lab and pilot plant facilities, employing numerous scientists and engineers, work together to achieve innovation and technology leadership at SRF. SRF continues to invest in R&D by creating propositions for the future and an amount of ₹ 89.81 Crores was spent during FY19 for R&D.

Comprehensively, R&D team worked on more than 50 molecules and a significant number of products were successfully taken up for process development. More than 20 scale-up campaigns were carried out by the pilot plant, and an equivalent number of campaigns were completed in commercial multipurpose plants and dedicated plants. In FY 2018-19, CTG filed 35 patents, taking the total count to 170 patents filed so far. Twenty patents were granted in FY19 taking the total count of patents granted to the Company to thirty-three.

Packaging Films Business

FY19 has been a good year for the Packaging Films Business. While BOPP market continues to remain challenging due to excess capacity and depressed margins, BOPET market has witnessed improved demand-supply scenario, resulting in better Business profitability.

Improved market sentiments in BOPET Films complemented by our relentless pursuit to deliver superior value to our customers has enabled us to perform well. In line with our philosophy of continuous improvement, all units improved their efficiencies resulting in ~6% volume growth while sustaining the best in industry cost structures. In our journey of Value Added Products, four new products were launched. Our philosophy of "Easy To Do Business With (ETDBW)" resulted in wider and deeper penetration with multinational customers. Further, the Business created a significant presence across the developed markets of Europe, US and the South East Asia.

For Packaging Films Business, this was also a year of expanding its international operations. Project work has started on two of our new BOPET film facilities, one each in Hungary and Thailand.

With its efficient cost structures, wider product portfolio, state-of-the-art technology and TQM driven processes, Packaging Films Business was able to successfully deliver on parameters of Quality (Q), Cost (C), Delivery (D) and Service (S).

Outlook

In FY 2019-20, global demand for BOPET Films is expected to remain healthy; however, two new capacities (~75,000 MT/annum) are likely to get added during the year. Demand for BOPET Films in India is expected to grow by ~10% per annum. On the other hand, BOPP Film market will continue to be under pressure. Supply will continue to exceed demand leading to pressure on margins.

In view of the above, SRF's strategy would evolve around continuously improving Business performance with 100% utilization of its assets and increased focus on Value Added Products, further enhancing the customer experience. Our major endeavor during the year will be to ensure timely start-up of both the new BOPET facilities.

Sustainability

With an increasing demand for packaging material, sustainability has emerged as an important agenda for the packaging industry. At SRF, we strive to reduce the impact that our film manufacturing operations have on the environment through sustainable practices focused on creating value for the society without compromising on our economic performance. Fundamentally, we have been working on the '3R' approach - Reduce, Reuse and Recycle to achieve sustainability impact on '3Ps' - Products, Planet and People. Our efforts mainly consist of reducing energy consumption/production waste/emissions and developing greener products without compromising on performance. These efforts will continue to help us in our endeavor of sustainable growth.

Other Businesses

Engineering Plastics Business

Overall, the market remained subdued in FY19, majorly due to a slowdown in the auto segment in the second half of the year. Global raw material prices remained volatile throughout the year. Despite slow growth and increasing pressure on prices of raw material, the Engineering Plastics Business (EPB) posted moderate growth in volumes. SRF continues to maintain its leadership position in critical segments such as automotive and electrical by persistently focusing on key customers and applications, leveraging existing OEM relationships. The Business adopted a coherent strategy of enhancing the current product portfolio by launching new products for new segments in close co-ordination with key OEMs, fostering long-term relationships with customers, targeting approvals from OEMs and focusing on cost competitiveness to maintain market share during volatility.

In Q1FY20, SRF signed a definite agreement with DSM India to sell its Engineering Plastics Business for ₹ 320 Crores EPB has been a profitable and niche business for SRF. However, the management felt that scaling it further would require significant time and hence passing it onto a credible player makes better business sense. It is also a strategic step towards focusing on the Company's core businesses, where larger growth opportunities in the future are anticipated.

Coated and Laminated Fabrics

The Coated Fabrics Business continues to maintain its domestic market leadership, both in terms of price and volume. Focused strategy on increasing the domestic sales, cost reduction initiatives and improved service levels has helped the Business perform well.

The Laminated Fabrics Business developed and successfully commercialized two new products: Semi Hot and low gsm fabric (SRF Arjun) during the year. In an extremely competitive environment, the Business was able to perform reasonably well with an increase in hot lamination sales and continuously improving operational efficiencies.

Outlook

In the Coated Fabrics segment, the Business performance will focus on further increasing the domestic market share and cost reduction initiatives.

The Laminated Fabrics segment is likely to face similar oversupply situation in FY 2019-20. The Business will continue to target an increase in the overall sales with a focus on the hot lamination products.

Human Resources

The year started with the launch of the Virtual Development Centre, where Individual Development Plans for the mid and senior level leaders of the Company were devised based on assessment. With this enhanced focus on development, people are currently on a developmental journey that will culminate with the completion of all identified programs.

During the year, the talent transformation team successfully launched an "Internal Trainers' Academy" on the most appropriate occasion of Teachers' Day. People can now come forth and benefit others from their knowledge and skills. Selected experts are given the opportunity to conduct trainings in areas of their expertise including domain and any other area selected.

Through the year, our focus towards achieving the Aspirations 2025 resonated in our actions. SRF has the culture of using a lot of acronyms and while these are also part of the DNA, new joiners find it intimidating to grasp. With the launch of the SRF Dictionary, people can themselves, keep updating all acronyms being used within the organization. In addition, SIGMA - our idea generation platform, already has 140 ideas and solutions generated through it, of which 62 were already under implementation until the end of 2018.

Our performance management system - Development Dialogue was revamped this year, we did away with the bell curve for our mid and senior level employees. With a smaller base of employees in the mid and senior levels, we felt it was best to rate the performance of those employees on an absolute basis rather than on a relative basis. With a view to introduce transparency, comments of the Manager were made visible to the subordinate. We also introduced a 'General Manager' designation in order to provide more growth opportunities to our people.

In an attempt towards increasing the reward and recognition avenues provided to people, our Rewards and Recognition policy was revised. This not only focused on increasing the type of awards available but also provided the discretion of allowing the managers to reward employees on a more immediate and generous manner.

Furthermore, the third of our eight desired behaviors was reinforced with the help of the revival of 'Great 8' (an initiative under which we strengthen desired behaviors across the organization). This year, the behavior of demonstrating positivity was celebrated with a lot of enthusiasm across all locations.

Industrial Environment

The organization's overall employee relations remained positive throughout the year. This was a result of our consistent efforts towards keeping our employees engaged. Various initiatives were implemented at the plants that encouraged participation and collaboration. We maintained a pleasant and cordial working environment across all manufacturing locations and also witnessed an increase in productivity at several manufacturing locations.

The total number of permanent employees at SRF stands at 7,028 at the close of business on March 31, 2019. Of these, 6,296 are based at our Indian locations.

Information Technology

Digital transformation of organizations is progressing at a fast pace. SRF IT team is setting up various platforms to establish its own transformation agenda towards its aspirational goals. In FY 2018-19, a few Industrial IoT-Internet of Things projects were done to improve operational efficiency of textiles dipping process, chillers and to reduce fuel consumption. We foresee a lot of potential to improve manufacturing efficiencies using these methods.

Multiple IT enablement projects were taken up on processes that were functioning outside our ERP solution. Capital expenditure approval process, supplier advance requisition process and customer complaint management processes were fully enabled on new integrated Business Process Management platforms to improve outcomes and controls in these areas.

We improved our ability to plan better by deploying Annual Planning and Budgeting Solutions in some businesses. The monthly production planning and control process was improved for the Chemicals Business using an advanced supply chain module. This will help us plan our operations and resources better, leading to optimized inventory, on-time deliveries and reduced cost.

In line with our strategy to stay updated on infrastructure and platforms, the ERP database version was upgraded and made cloud ready. We deployed new solutions from the Office 365 stack to improve collaboration of employees across locations thereby improving productivity. Mobile applications were developed to support employee self-service applications. Advanced security solutions for data protection and mobile management were deployed to protect our environment from emerging threats.

Multiple shop floor automation and robotics projects were implemented in the Packaging Films Business and the Technical Textiles Business to automate manpower intensive manufacturing steps as well as automate the finished goods packing process.

SRF is building its capability to exploit new technologies to improve operational excellence. This year as part of our strategic planning exercise, we will chart out our digital strategy to improve customer experience.

Community Partnerships

Building on its long-term commitment to the sustainable and inclusive growth of the community, SRF Limited through its social wing, SRF Foundation, expanded its scope of work and took concrete steps in compliance with the Section 135 of the Companies Act 2013 during FY19. The Foundation continued to focus on the identified areas of education, vocational skills, natural resource management and affirmative action on a sustainable basis. The Company further strengthened its Public Private Community Partnership (PPCP) model to positively affect the lives of people.

FY19 witnessed the expansion of the Foundation's education program covering 269 Government schools across 21 locations in nine states directly and 1,240 Government schools in two states through like-minded partners. With a motto of providing "Quality Education for All", the program imparts quality education to more than 78,714 students by working with more than 3,500 teachers in these Government schools directly and with 200,000 students by working with 2,605 teachers in 1,220 villages through our Science Promotion Program. The Foundation continued its work towards improving infrastructure and academic facilities under the School Education Program, and promoting digital-based learning through KidSmart Centers, World on Wheels & GetSmart-Mobile Digital Labs, Common Services Lab, Digital-based Learning and Digital Theatres. The Foundation also undertook several new initiatives to improve the employability of people, around our plant locations by providing vocational skills through its partnership with Rama Krishna Polytechnic, Schneider Electrical and The Times of India.

SRF Foundation, through its Natural Resource Management (NRM) program continued to reach the economically weaker families near its manufacturing plant at Bhiwadi in Rajasthan and improve their livelihood by adopting the watershed based livelihood and environment conservation approach. In FY 2018-19, the Foundation conducted certain Hydrological and Environment studies in 35 villages around SRF Bhiwadi Plant in the Tijara block where rainfall is below normal and the results helped create a way forward plan.

During the year, the Indian Chambers of Commerce (ICC), Capgemini Heart Care Foundation of India (HCFI), and Federation of Karnataka Chambers of Commerce (FKCCI) Rotary Club recognized SRF Foundation through various awards for exemplary contribution in school education. In addition, SRF's Chemicals Business was felicitated by the Government of Rajasthan with the "Rajasthan State Bhamashah Award" for support to elementary education in the Bhiwadi region.

Internal Controls Systems and Internal Audit

The Company has well documented system of internal controls in place commensurate with its size, scale and complexity of operations. These controls have been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. The controls, based on the prevailing business conditions and processes have been tested during the year and no reportable material weaknesses in the design or effectiveness was observed. The internal and external auditors have reviewed the framework on Internal Financial Controls over Financial Reporting (ICOFAR).

The Internal Audit team develops an annual internal audit plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the plan.

The Internal Audit team 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 of the Company. Based on the report of internal audit function, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

The Audit Committee reviews the reports submitted by the Internal Auditors (both internal and external) in each of its meetings. The Company also has a robust and comprehensive framework of Control Self-Assessment (CSA), which continuously verifies compliances with laid down policies and procedures and help plug control gaps.

Risk Management

The Company has developed and implemented a Risk Management Policy, which is approved by the Board. The Risk Management Policy, inter alia, includes identification therein of elements of risk, including those, which in the opinion of the Board may threaten the existence of the Company. Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organization. The responsibility of tracking and monitoring the key risks of the business/function periodically and implementing suitable mitigation plans proactively is with the senior executives of various business/functional units.

An annual presentation is made to the Audit Committee and the Board on the effectiveness of the Risk Management systems and it broadly covers the following:

1. Identification of the Top Risks for the Company
2. Review of the Risks status on the top risks identified in the Businesses
3. Implementation of the Risk Mitigation Activities

During FY19, the return on net worth of the Company is 13.20% vis-à-vis 11.76% in FY18. There is a change of 12.23% over the previous year due to an increase in operations and higher operating margins. There was no significant change in the key financial ratios as prescribed in the Listing Regulations.

CORPORATE GOVERNANCE REPORT

Philosophy of the Company on Corporate Governance

For SRF Limited (SRF), good corporate governance means adoption of best practices to ensure that the Company operates not only within the regulatory framework, but is also guided by broader business ethics. The adoption of such corporate practices — based on transparency and proper disclosures — ensures accountability of the persons in charge of the Company and brings benefits to investors, customers, creditors, employees and the society at large.

Board of Directors

Composition of the Board

As on March 31, 2019, SRF's Board consisted of 10 Directors, of which four are executives of the Company (including the Chairman, who is an Executive Chairman), one is non-executive & non-independent and five are independent. Table 1 gives the details of the Board as on March 31, 2019.

Table 1: Composition of the Board of Directors of SRF

Name of Director	Category of Director	No. of Directorships of Indian Public Ltd Co. (other than SRF Limited)	No. of Committees where Chairperson or Member (including SRF Limited)		Name of Listed Entities & Category of Directorship
			Chairperson	Member	
Arun Bharat Ram	Executive Chairman, Promoter	3	1	5	- J K Paper Limited (Independent Director)
Ashish Bharat Ram	Executive, Promoter	4	1	5	- Transport Corporation of India Limited (Independent Director) - KAMA Holdings Limited (Promoter, Non-Executive Director)
Kartik Bharat Ram	Executive, Promoter	2	-	5	- KAMA Holdings Limited (Non-Executive Director)
Pramod G Gujarathi	Executive	-	-	2	- Chemiesynth (Vapi) Limited (Independent Director)
Vinayak Chatterjee*	Non-Executive, Independent	4	2	3	- KEC International Ltd. (Independent Director) - Apollo Hospitals Enterprises Ltd. (Independent Director) - Indraprastha Medical Corporation Ltd (Independent Director)
Tejpreet S Chopra	Non-Executive, Independent	2	1	3	- Gujarat Pipavav Port Limited (Independent Director) - Indian Exchange Energy Ltd. (Independent Director)

Name of Director	Category of Director	No. of Directorships of Indian Public Ltd Co. (other than SRF Limited)	No. of Committees where Chairperson or Member (including SRF Limited)		Name of Listed Entities & Category of Directorship
			Chairperson	Member	
Lakshman Lakshminarayan	Non-Executive, Independent	5	4	7	- Rane Brake Lining Ltd – Non Executive, Promoter - Rane Engine Valves Ltd.- Non Executive, Promoter - Rane Madras Ltd. - Non Executive, Promoter - Rane Holdings Ltd. – Chairman Emeritus, Non-Executive, Promoter - DCM Ltd - Independent
Vellayan Subbiah	Non-Executive, Independent	4	-	3	- Havells India Ltd. (Independent Director) - Tube Investments of India Ltd (Executive, Promoter Director) - Shanti Gears Ltd. (Non-Executive, Promoter Director)
Dr Meenakshi Gopinath	Non-Executive, Non-Independent	-	-	1	Nil
Bharti Gupta Ramola (Appointed w.e.f 04.02.2019)	Non-Executive, Independent	1	-	1	- HDFC Life Insurance Company Ltd. (Independent Director)

Pramod Bhasin, Non-Executive, Independent Director resigned w.e.f. 04.02.2019.

*Vinayak Chatterjee, Non-Executive, Independent Director resigned w.e.f. 01.04.2019.

Arun Bharat Ram is father of Ashish Bharat Ram and Kartik Bharat Ram.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

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

As required under Listing Regulations, the Company has obtained a certificate from a Practicing Company Secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Independent Directors on the Board are Non-Executive Directors.

Our definition of 'Independence' of Directors is derived from Regulation 16 of Listing Regulations and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors other than Dr. Meenakshi Gopinath are Independent in terms of Regulation 16 of Listing Regulations and Section 149(6) of the Companies Act, 2013.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Companies Act and Listing Regulations.

The Board confirms that in its opinion, the independent directors fulfill the conditions specified in Listing Regulations and Companies Act, 2013 and are independent of the management.

None of the Directors is a member of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

Independent Directors' Meeting

In accordance with the applicable provisions of Companies Act, 2013 and Listing Regulations, a meeting of the Independent Directors of the Company was held on February 4, 2019, without the attendance of Non-Independent Directors and members of the management.

Familiarisation Programme

Your Company has put in place familiarisation programme for all its Directors including the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc and the familiarisation programme for the Independent Directors is available on the website of the Company at the link http://www.srf.com/investor-relations/investors.html#governance

Number of Board Meetings

During 2018-19, the Board of Directors met four times on the dates as referred below in Table 2. The gap between any two Board Meetings did not exceed 120 days.

Table 2: Attendance of directors in Board Meetings and Annual General Meeting (AGM) held during the year in 2018-19

Name of the Director	Date of Board Meeting and Attendance of Directors				Date of AGM and Attendance of Directors
	May 17, 2018	August 07, 2018	November 1, 2018	February 4, 2019	August 7, 2018
Arun Bharat Ram	Yes	Yes	Yes	Yes	Yes
Ashish Bharat Ram	Yes	Yes	Yes	Yes	Yes
Kartik Bharat Ram	Yes	Yes	Yes	Yes	Yes
Pramod G Gujarathi	Yes	Yes	Yes	Yes	Yes
Vinayak Chatterjee	Yes	Yes	Yes	Yes	Yes
Tejpreet S Chopra	No	Yes	Yes	Yes	Yes
Lakshman Lakshminarayan	Yes	Yes	Yes	Yes	Yes
Vellayan Subbiah	Yes	No	Yes	Yes	No
Pramod Bhasin	Yes	Yes	Yes	Yes	No
Dr. Meenakshi Gopinath	Yes	Yes	Yes	Yes	Yes

Remuneration of Directors

Table 3 gives the remuneration paid or payable to the Directors of SRF Limited for financial year 2018-19 and table 4 gives details of Service Contracts.

Table 3: Remuneration Paid or Payable

S. No.	Name of Director	Salary & Allowances	Sitting Fees	Perquisites	Provident Fund and Superannuation	Commission / Professional Fees	Total (₹ Crores)
1	Arun Bharat Ram	2.40		0.22	0.41	2.50	5.53
2	Ashish Bharat Ram	1.75	-	1.69	0.47	2.00	5.91
3	Kartik Bharat Ram	1.75	-	1.62	0.47	2.00	5.84
4	Pramod G Gujarathi	0.18	-	-	0.01	-	0.19
5	Meenakshi Gopinath	-	0.02	-	-	0.13	0.15
6	Vinayak Chatterjee	-	0.06	-	-	0.10	0.16
7	Tejpreet S Chopra	-	0.04	-	-	0.10	0.14
8	Lakshman Lakshminarayan	-	0.04	-	-	0.10	0.14
9	Vellayan Subbiah	-	0.03	-	-	0.10	0.13
10	Pramod Bhasin (upto 04.02.2019)	-	0.02	-	-	0.10	0.12
11	Bharti Gupta Ramola (Appointed w.e.f. 04.02.2019)	-	-	-	-	-	-
	Total	6.08	0.21	3.53	1.36	7.13	18.31

The Nomination and Remuneration Committee has laid down criteria for making payments to non-executive directors, which inter alia, includes level of remuneration /commission payable by other comparable companies, time devoted, experience, providing guidance on strategic matters and such other factors as it may deem fit.

The non-executive directors are entitled to remuneration up to an aggregate limit of one percent per annum of the net profits of the Company. Within the aforesaid limit, the commission payable is determined by the Board and equal amount of commission is payable to all the Independent Non-Executive Directors on a pro-rata basis. For the year under review, remuneration to non-executive directors was approved by the Board of Directors with the interested non-executive directors, not participating or voting in the resolution.

Table 4: Details of Service Contracts

Name of Director	Tenure	Notice Period	Severance Fee
Arun Bharat Ram	5 years w.e.f. June 15, 2018	6 months by either party	As per the provisions of the Companies Act, 2013
Ashish Bharat Ram	5 years w.e.f. May 23, 2015	3 months by either party	As per the provisions of the Companies Act, 2013
Kartik Bharat Ram	5 years w.e.f June 01, 2016	3 months by either party	As per the provisions of the Companies Act, 2013
Pramod G Gujarathi	3 years w.e.f. April 01, 2017	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, 2019.

Table 5: Equity Shares held by Non-Executive Directors as on March 31, 2019

Name of Director	Category	Number of Equity Shares Held
Vinayak Chatterjee	Independent	-
Tejpreet S Chopra	Independent	-
Lakshman Lakshminarayan	Independent	-
Vellayan Subbiah	Independent	13,407
Meenakshi Gopinath	Non-Independent	-
Bharti Gupta Ramola	Independent	-

The Company has not issued any convertible securities to any Director

Information Supplied to the Board

The Board has complete access to all information with the Company. Inter-alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting:

- Annual operating plans and budgets and any update thereof
- Capital budgets and any updates thereof
- Quarterly results of the Company and operating divisions and business segments
- Minutes of the meetings of the audit committee and other committees of the Board
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary
- Materially important show cause, demand, prosecution notices and penalty notices
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

In addition to the above, pursuant to the Listing Regulations the minutes of the Board meetings of your Company's unlisted subsidiary companies and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board.

Code of Conduct

The Company's Board has laid down a Code of Conduct for all Board members and senior management of the Company. The Code of Conduct is available on the website of the Company, http://www.srf.com/investor-relations/investors.html#governance. All Board members and designated senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

Risk Management

The Company has laid down procedures to inform the Board members about the risk assessment and minimisation procedures. These procedures are being periodically reviewed to ensure that management controls risk through means of a properly defined framework.

Statutory Committees of the Board

a) Audit Committee

i) Terms of Reference

The terms of reference of the Audit Committee are wide enough covering the matters as per the guidelines set out in the Listing Regulations read with Section 177 of the Companies Act, 2013. These broadly includes approval of annual internal audit plan, review of financial reporting systems, ensuring compliance with regulatory guidelines, discussions on quarterly, half yearly and annual financial results, interaction with statutory, internal and cost auditors, recommendation for appointment, remuneration and term of auditors, examination of financial statements and auditors' report thereon, review the functioning of the Whistle Blower Mechanism, review and monitor the auditor's independence and performance and effectiveness of audit process, approval or any subsequent modification of transactions of the Company with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the company, wherever it is necessary, evaluation of internal financial controls and risk management systems and reviewing with the management adequacy of internal control system.

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; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- 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, 2019, the Audit Committee of SRF comprised of three Directors all of whom are independent namely Vinayak Chatterjee as Chairman, Lakshman Lakshminarayan and Vellayan Subbiah as members. W.e.f April 1, 2019, the composition of the Audit Committee changed comprising of Lakshman Lakshminarayan as Chairman and Vellayan Subbiah and Bharti Gupta Ramola as members of the Committee

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 2018-19 and attendance of its members.

Table 6: Attendance Record of Audit Committee Meetings during 2018-19

Name of Members	Category	Date of Audit Committee Meeting and Attendance of Members			
		May 17, 2018	August 7, 2018	November 1, 2018	February 4, 2019
Vinayak Chatterjee (Chairman)	Independent, Non-Executive	Yes	Yes	Yes	Yes
Lakshman Lakshminarayan	Independent, Non-Executive	Yes	Yes	Yes	Yes
Vellayan Subbiah	Independent, Non-Executive	Yes	No	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 Functional Heads and other Employees.
- Identification and recommendation to Board of persons who are qualified to become Directors, Key Managerial Personnel, Senior Management Personnel and Functional Heads in accordance with the criteria laid down.
- Recommend to the Board on appointment and removal of Directors, Key Managerial Personnel, Senior Management Personnel and Functional Heads
- Evaluation of the performance of Directors (other than independent directors).
- Evaluation of the performance of independent directors and make recommendations to Board.
- To oversee succession planning for Board of Directors, Key Managerial Personnel, Senior Management Personnel and Functional Heads.
- Formulation of criteria for making payment to Non-Executive Directors
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

ii) Composition of Nomination and Remuneration Committee and Attendance of members in the meetings of the Nomination and Remuneration Committee held during the year

As on March 31, 2019, this Committee comprised of three Directors, Vinayak Chatterjee (Chairman), Tejpreet S Chopra and Vellayan Subbiah as members, all of whom are independent. The composition of the Committee w.e.f. April 1, 2019 has been changed comprising of Tejpreet S Chopra as Chairman, Yash Gupta & Puneet Yadu Dalmia as Members of the Committee, all of whom are Independent. 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 2018-19 and attendance of its members.

Table 7: Attendance Record of Nomination and Remuneration Committee Meetings during 2018-19

Name of Members	Category	Date of NRC Meeting and Attendance of Members		
		May 17, 2018	August 1, 2018	February 04, 2019
Vinayak Chatterjee (Chairman)	Independent, Non-Executive	Yes	Yes	Yes
Tejpreet S Chopra	Independent, Non-Executive	No	Yes	Yes
Vellayan Subbiah	Independent, Non-Executive	Yes	No	Yes

iii) Annual Evaluation of Board, Committees and Individual Directors

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and as per the Nomination, Appointment and Remuneration Policy, the Board of Directors/ Independent Directors/Nomination & Remuneration Committee ("NRC") (as applicable) had undertaken an evaluation of the Board's own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

iv) Nomination, Appointment and Remuneration Policy

Performance evaluation of independent directors is done by the Nomination and Remuneration Committee on criteria like attendance and participation in Board and Committee meetings, advice on implementation of good corporate governance practices, diligence and independence in judgement and actions, good faith and interest of the stakeholders, etc. Based on the recommendations of the NRC, the Board of Directors decide to continue their appointment or consider them for reappointment.

The Company's Nomination, Appointment and Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and Functional Heads forms part of the Board's Report and is also accessible on Company's website www.srf.com.

c) Stakeholders Relationship Committee

As on March 31, 2019, this Committee comprised of five Directors—three executive Directors and two non-executive Directors. The Chairman of the Committee is Tejpreet S Chopra, an Independent & Non-Executive Director.

The composition of the Committee w.e.f. April 1, 2019 has been changed to four Directors—two executive Directors and two non-executive Directors. The Chairman of the Committee is Tejpreet S Chopra, an Independent & Non-Executive Director.

Table 8 provides details of the Stakeholders Relationship Committee meetings held during the year 2018-19 and attendance of its members.

Table 8: Attendance Record of Stakeholders Relationship Committee Meetings during 2018-19

Name of Members	Category	Date of Stakeholders Relationship Committee Meeting and Attendance of Members										
		10 May 18	02 July 18	31 July 18	08 Oct 18	01 Nov 18	20 Nov 18	10 Dec 18	10 Jan 19	15 Feb 19	13 Mar 19	29 Mar 19
Tejpreet S Chopra (Chairman)	Non-Executive, Independent	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Arun Bharat Ram	Executive Chairman, Promoter	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Ashish Bharat Ram	Executive, Promoter	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Kartik Bharat Ram	Executive, Promoter	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No	Yes	No
Vinayak Chatterjee	Non-Executive, Independent	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes

Ekta Maheshwari was Compliance Officer under Listing Regulations upto March 31, 2019. Rajat Lakhanpal, has been appointed as Compliance Officer in place of Ekta Maheshwari w.e.f. April 1, 2019.

To expedite the process of transfer, Company Secretary has been authorised by the Board to consider and approve the registration of transfer and transmission of shares/debentures upto a limit of 1,000 shares/debentures in any one case.

As on March 31, 2019, 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 2018-19.

Table 9: Shareholder and Investor Complaints received and redressed during 2018-19

Total Complaints Received	Total Complaints Redressed	Complaints not solved to the satisfaction of Shareholders	Pending as on March 31, 2019
250	250	Nil	Nil

d) Corporate Social Responsibility Committee

As on March 31, 2019, this Committee comprised of three Directors— Dr. Meenakshi Gopinath (Chairperson), Kartik Bharat Ram and Lakshman Lakshminarayan as members. The composition of the Committee w.e.f. April 1, 2019 has been changed comprising of Dr. Meenakshi Gopinath (Chairperson), Arun Bharat Ram, Kartik Bharat Ram and Lakshman Lakshminarayan as Members of the Committee. The constitution of the Committee meets the requirements of Section 135 of the Companies Act, 2013.

The terms of reference of the Committee in line with the requirements of the Section 135 of the Companies Act, 2013 and the rules framed thereunder.

Table 10 provides details of the CSR Committee meetings held during the year 2018-19 and attendance of its members.

Table 10: Attendance Record of CSR Committee Meetings during 2018-19

Name of Members	Category	Date of meeting and Attendance of Director	
		May 17, 2018	Feb 04, 2019
Dr. Meenakshi Gopinath (Chairperson)	Non-Independent, Non-Executive	Yes	Yes
Lakshman Lakshminarayan	Independent, Non-Executive	Yes	Yes
Kartik Bharat Ram	Executive, Promoter	Yes	Yes

e) Committee of Directors – Financial Resources

As on March 31, 2019, this Committee comprised of three Directors— Arun Bharat Ram, Ashish Bharat Ram and Kartik Bharat Ram all of whom are executive directors.

Table 11 provides details of the Committee of Directors- Financial Resources meetings held during the year 2018-19 and attendance of its members.

Table 11: Attendance Record of Committee of Directors- Financial Resources Meetings during 2018-19

Name of Member	Date of Committee of Directors- Financial Resources Meeting and Attendance of Members											
	April 03, 2018	May 17, 2018	June 8, 2018	July 31, 2018	Aug 7, 2018	Sep 6, 2018	Sep 24, 2018	Oct 10, 2018	Nov 15, 2018	Dec 10, 2018	Feb 04, 2019	Mar 08, 2019
Arun Bharat Ram	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Ashish Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Kartik Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

f) Risk Management Committee

Pursuant to Regulation 21 of the Listing Regulations, the Board of Directors has constituted the Risk Management Committee w.e.f. April 1, 2019 comprising of Ashish Bharat Ram as Chairman, Kartik Bharat Ram and Bharti Gupta Ramola as Members. The composition of the Committee is in conformity with the Listing Regulations.

Management

Management Discussion and Analysis

This is given as a separate chapter in this Annual Report.

Disclosure Requirements

During the year 2018-19, the Company had no materially significant related party transactions. Transactions with related parties are disclosed in Note No. 32 to the Standalone Financial Statements. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said policies are available on the website of the Company at the http://www.srf.com/investor-relations/investors.html#governance. Policy of determining 'material subsidiaries' is available on the website of the Company at the http://www.srf.com/investor-relations/investors.html#governance .

- The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited, and the Company has complied with all the applicable requirements of capital markets and no penalties or strictures have been imposed on the Company by Stock Exchange(s), SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

Vigil Mechanism Policy: Section 177 (9) of the Companies Act, 2013 and Regulation 22 of Listing Regulations requires that a Company shall have a vigil mechanism for directors and employees for reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Vigil Mechanism Policy of the Company includes Code of Conduct for Directors and Senior Management Personnel, Code of Conduct for employees, Policy against sexual harassment, Whistleblower Policy and Code of Conduct for Prevention of Insider Trading. The Company is following such a policy and crux of which is disclosed by the Company on its website at the http://www.srf.com/investor-relations/investors.html#governance. No personnel has been denied access to the Audit Committee for raising his/her concern under this policy during financial year 2018-19.

- The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 (as applicable) and Regulation 46 (2) (b) (i) of the Listing Regulations
- This Corporate Governance Report of the Company for the year 2018-19 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 Listing Regulations 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 a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements; (d) Separate posts of Chairperson and CEO: Arun Bharat Ram is the Chairman and Ashish Bharat Ram is the Managing Director of the Company; and (e) Reporting of Internal Auditor: The Internal Auditor of the Company reports to the President & CFO of the Company and has direct access to the Audit Committee.

CEO/CFO certification

The Certificate in compliance with Regulation 17(8) of Listing Regulations was placed before the Board of Directors.

Appointment/ Reappointment/Resignation of Directors

Arun Bharat Ram, Chairman is retiring by rotation and being eligible, offer himself for re-appointment.

During the year-

1. Pramod Bhasin, Independent Director of the company resigned from the close of business hours of February 4, 2019 due to his current range of responsibilities and travel. There were no other material reasons for his resignation.

2. Vinayak Chatterjee, Independent Director of the company resigned from the close of business hours of March 31, 2019. He has resigned from the Board as he was an Independent Director since 2002 which was in accordance with the requirements of Companies Act, 2013 and Listing Regulations. However, as a good corporate governance practice he decided to step down as a Director. There were no other material reasons for his resignation.

   Subject to approval of shareholders, the Board at its meeting held on 04.02.2019 appointed Bharti Gupta Ramola as Additional Director (Independent) w.e.f. 04.02.2019, Puneet Yadu Dalmia, and Yash Gupta as Additional Directors (Independent) w.e.f. 01.04.2019.

   Brief resumes of all the directors proposed to be re-appointed are given in the Notice of the 48th Annual General Meeting.

Means of Communication with Shareholders

Quarterly and annual results of SRF are published in two major national dailies, generally Business Standard / Financial Express (in English) and Jansatta (in Hindi). In addition, these results are posted on the website of the Company, www.srf.com. The website also contains other information regarding SRF available in the public domain.

SRF communicates with its institutional shareholders through analysts briefing and individual discussions between the fund managers and the management team. The presentations made to analysts and funds managers are posted on the Company's website.

General body meetings
Last three Annual General Body Meetings

The details of the last three AGMs are given in Table 12.

Table 12: Last three AGMs of the Company

Year	Location	Date	Time	No. of Special Resolutions Passed
2015-16	Laxmipat Singhania Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	August 8, 2016	3.30 P.M.	2
2016-17	Laxmipat Singhania Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	August 8, 2017	3.30 P.M.	2
2017-18	Laxmipat Singhania Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 Same as Above	August 7, 2018	11.00 A.M.	7

Postal Ballot

During the year, no resolution was passed through Postal Ballot.

Additional Shareholder Information
48th Annual General Meeting

Day: Monday
Date: August 5, 2019
Time: 3.30 P.M.
Venue: Laxmipat Singhania Auditorium, PHD House,
4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016

Financial Year

1 April to 31 March

Tentative Financial Calendar for Results, 2019-20

First Quarter	First week of August 2019
Second Quarter	First week of November 2019
Third Quarter	First week of February 2020
Fourth Quarter and Annual	Second week of May 2020

Book Closure Date

The Share Transfer Register of SRF will remain closed from Tuesday, July 30, 2019 to Monday, August 5, 2019 (both days inclusive) for the purpose of holding the Annual General Meeting.

Interim Dividend Payment Date

Two interim dividends of ₹ 6 per share each (60 per cent) on the paid up capital of the Company absorbing ₹ 83.15 Crores approx. (inclusive of tax) were paid on August 07, 2018 and February 04, 2019 respectively.

Details of Total fees paid to Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part

B S R & Co. LLP, Chartered Accountant who are the Statutory Auditors of the Company are a part of B S R & Affiliates network. During FY 2018-19 total fees paid by the Company and its subsidiaries on a consolidated basis to B S R & Co. LLP, Chartered Accountant and all entities forming part of B S R & Affiliates network is given below-

Name of Company	Name of Entity forming part of B S R & Affiliates network	Details of remuneration	Amount (in Crores)
SRF Limited	B S R & Co. LLP, Chartered Accountant	- Audit fees	0.50
		- For limited review of unaudited financial results	0.36
		- For Corporate governance, consolidated financial statements and other certificates	0.09
		- For tax audit	0.06
		- Reimbursement of out of pocket expenses	0.09
	Total		**1.10**

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year 2018-19

No. of complaints filed during the financial year	1
No. of complaints disposed off during the financial year	1
No. of complaints pending as on the end of the financial year	0

List of Credit Ratings

Instrument	Rating Agency	Rating	Outlook
Fun Based and Non-Fun Based Limits	India Ratings	IND AA/Positive/IND A1+	Assigned
Term Loans	India Ratings	IND AA/Positive	Assigned
Commercial Papers	India Ratings	IND A1+	Assigned
Non-Convertible Debentures	CRISIL	CRISIL AA+/Stable	Assigned

During the year under review, there have been no revisions in Credit Rating obtained by the Company.

Listing on Stock Exchanges in India

SRF's shares are listed on the BSE and the NSE and debentures are listed on NSE. The Company has paid the listing fee to both BSE and NSE for the year 2019-20. The Stock Codes are:

Stock Exchanges	Equity Shares	Debentures
BSE Limited	503806	
National Stock Exchange	SRF	INE647A07033

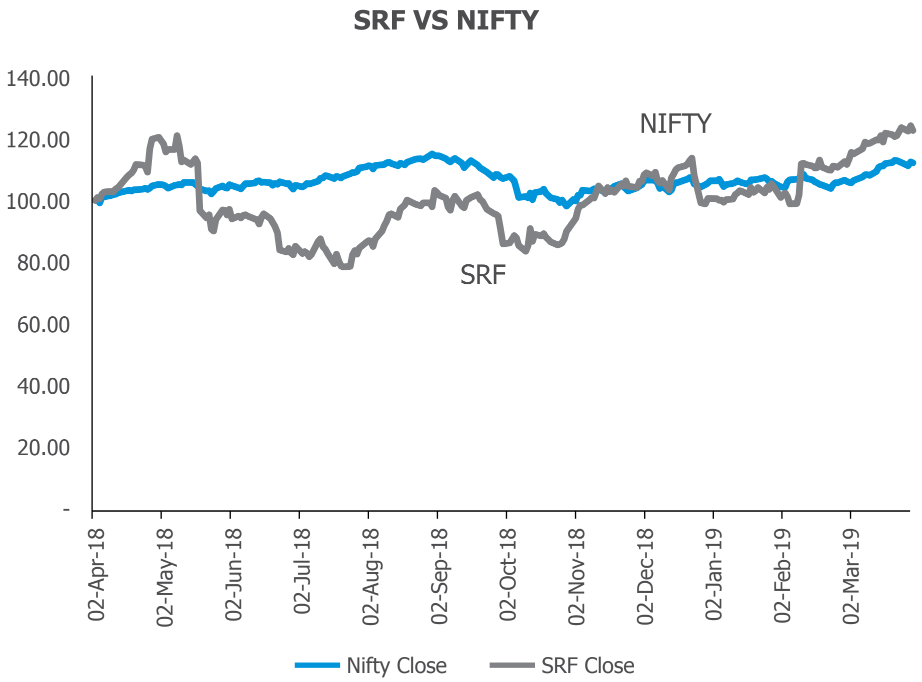
Stock Market Data

Table 13 gives the monthly high and low quotations as well as the volume of shares traded at BSE and NSE during 2018-19.

Table 13: Monthly Highs and Lows and Volumes Traded at the BSE and NSE during 2018-19

Month	BSE			NSE		
	Highest Price (₹)	Lowest Price (₹)	Volume (No.)	Highest Price (₹)	Lowest Price (₹)	Volume (No.)
Apr-18	2443.00	1967.85	261,742	2446.60	1960.00	4,137,648
May-18	2424.00	1763.30	418,586	2413.50	1762.10	8,600,534
Jun-18	1944.40	1614.55	439,213	1944.95	1612.25	8,652,001
Jul-18	1777.95	1531.00	462,363	1777.50	1530.05	9,558,885
Aug-18	2083.00	1685.00	547,286	2084.50	1686.05	10,022,333
Sep-18	2059.35	1664.85	314,056	2060.00	1685.20	6,907,600
Oct-18	1933.25	1616.60	346,513	1947.00	1615.00	8,477,985
Nov-18	2179.65	1925.05	358,934	2178.95	1926.00	7,875,341
Dec-18	2275.00	1906.00	375,402	2276.95	1906.00	10,737,768
Jan-19	2135.85	1948.20	262,271	2138.00	1947.75	7,621,840
Feb-19	2315.75	1951.00	419,546	2308.00	1947.60	9,659,421
Mar-19	2476.40	2282.20	738,715	2478.00	2270.50	6,183,801

Chart 1: Share prices of Nifty versus SRF Limited for the year ended March 31 2019



Note: Both Nifty and SRF share prices are indexed to 100 as on April 1, 2018

Registrar and Share Transfer Agents

M/s Karvy Fintech Private Limited (Formerly known as Karvy Computershare Private Limited), Hyderabad are the Registrar and Share Transfer Agent of the Company for handling both electronic and physical shares.

Share Transfer System in Physical Mode

Share certificates sent for transfer are received at the Registered Office/Corporate Office of the Company or the office of Karvy Fintech Private Limited. All valid transfer requests are processed. To expedite the process of share transfer, Company Secretary has been authorised to consider and approve the registration of transfer and transmission of shares/debentures upto a limit of 1,000 shares/debentures in any one case. For the cases for shares above 1,000, the Stakeholders Relationship Committee meets to approve valid transfer requests. After transfer, the physical shares are sent to the shareholders.

The total number of shares transferred in physical form during the period from April 1, 2018 to March 31, 2019 was 43,523.

However, as per SEBI Notificaion No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notificaion No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 request for effecting transfer of securities (except in case of transmission or transporation of securities) shall not be processed from April 01, 2019 unless the securities are held in dematerialized form with the depositories.

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, 2019 there were 37,070 shareholders holding 56,451,173 shares in electronic form. This constitutes 98.21 per cent of the total paid-up share capital of the Company.

Distribution of Shareholding as on March 31, 2019@

Table 14 gives the distribution of shares according to shareholding class, while Table 15 gives the distribution of shareholding by ownership.

Table 14: Pattern of Shareholding by Share Class as on March 31, 2019

No. of Equity Shares held	No. of shareholders	% of Shareholders	No. of shares	% of Shareholding
Upto 500	45,205	94.32	3,767,357	6.55
501 - 1000	1,498	3.13	1,089,386	1.90
1001 - 2000	590	1.23	862,929	1.50
2001 - 3000	195	0.41	493,377	0.86
3001 - 4000	91	0.19	321,483	0.56
4001 - 5000	61	0.13	283,061	0.49
5001 - 10000	120	0.25	821,062	1.43
10001 & Above	166	0.35	49,841,845	86.71
Total	45,205	100.00	3,767,357	100.00

Table 15: Pattern of Shareholding by Ownership as on March 31, 2019

Category	Total Shares	% To Equity
Promoter Companies	30,049,000	52.28
Foreign Portfolio - Corp	9,573,060	16.65
Resident Individuals	6,860,018	11.93
Mutual Funds	6,284,067	10.93
Bodies Corporates	1,987,511	3.46
Non Resident Indian Non Repatriable	694,399	1.21
Alternative Investment Fund	496,677	0.86
I E P F	338,789	0.59
Insurance Companies	329,910	0.57
Foreign Institutional Investors	255,016	0.44
H U F	230,901	0.40
Non Resident Indians	109,369	0.19
Employees	84,388	0.15
Clearing Members	61,713	0.11
NBFC	38,160	0.07
Promoters	27,500	0.05
Banks	23,519	0.04
Indian Financial Institutions	14,432	0.03
Directors	13,407	0.02
Unit Trust of India	4,403	0.01
Trusts	4,234	0.01
Foreign Nationals	27	0.00
Total	57,480,500	100

@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, 2019, there were no outstanding GDRs/ ADRs/ Warrants or any convertible instruments

Commodity price risk or foreign exchange risk and hedging activities

During the year 2018-19, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. There is no direct hedgeable commodity risk that the Company has on any of its raw materials or finished products. Thus, the Risk Management Policy covers only net forex exposure on account of its imports and exports.

The details of foreign currency exposure are disclosed in the Note No. 38 to the Financial Statements.

Plant Locations

Business	Plant Locations
Technical Textiles Business	• Manali Industrial Area, Manali, Chennai-600068, Tamil Nadu • Industrial Area, Malanpur, Distt. Bhind-477116, MP • Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi, Dist. Thiruvallur– 601 201, Tamil Nadu • Viralimalai, Distt. Pudukottai - 621 316, Tamil Nadu • Plot No. 12, Rampura, Ramnagar Road, Kashipur, Dist. Udham Singh Nagar-244713, Uttarakhand

Business	Plant Locations
Chemicals and Polymers Business	• Village & P.O. Jhiwana, Tehsil Tijara, Distt. Alwar - 301 018, Rajasthan • Manali Industrial Area, Manali, Chennai – 600 068, Tamil Nadu • Plot No. 14 C, Sector 9, IIE Pantnagar, Distt.Udham Singh Nagar-263153, Uttarakhand • DII / I GIDC. PCPIR,GIDC Phase II, Tal Vagra, Vill. Dahej, Dist Bharuch-392130, Gujarat
Packaging Films Business	• Plot No. 12, Rampura, Ramnagar Road, Kashipur, Dist. Udham Singh Nagar-244713, Uttarakhand • Plot No. C 1-8, C 21-30, Sector 3, Indore Special Economic Zone, Pitam Pur, Dist. Dhar-454775, Indore, MP • Plot No. 675, Industrial Area, Sector 3, Village Bagdoon, Pithampur, Dist. Dhar – 454775, Indore MP

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	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500032 Tel No: (+91- 40) 67162222 Fax No: (+91- 40) 2300 1153 E-mail: einward.ris@karvy.com	Vistra ITCL (India) Limited The IL&FS Financial Centre Plot C-22, G Block Bandra Kurla Complex, Bandra East, Mumbai 400 051 Tel: (011) 46577591 Email: Amit.Joshi@vistra.com Website: www.vistraitcl.com Contact Person: Amit Joshi, Regional Head – Corporate Trustee (North & East)

Declaration Regarding Code of Conduct

I, Ashish Bharat Ram, Managing Director of SRF Limited declares 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, 2019.

Date: May 13, 2019
Place: Gurugram

Ashish Bharat Ram
Managing Director

STANDALONE
FINANCIALS

INDEPENDENT AUDITORS' REPORT

To the Members of
SRF Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of SRF Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
Capital expenditure	
The Company's spending on capital projects is significant (refer note 2 to the standalone financial statements). The assessment and timing of whether assets meet the capitalisation criteria set out in relevant Indian accounting standards requires judgement. As a result, there is a risk that the Company's expenditure on tangible non-current assets is inappropriately capitalised against relevant accounting guidance.	We have performed the following procedures: • Assessed the design, implementation and tested the operating effectiveness of controls over the application of the policy to expenditure incurred during the year on various projects undertaken by the Company. This includes consideration of the allocation of costs between capital and operating expenditure. • Performed sample tests of capital expenditure on projects including an examination of management's assessment as to whether the project spend including borrowing cost and other allocable expenditure met the recognition criteria set forth in relevant Indian accounting standards.

The key audit matter	How the matter was addressed in our audit
	• For selected projects, verified the evidence used to determine the date when assets were available for use. • For a sample of capital projects, inspected capital project authorisation, and agreed a sample of project costs to appropriate evidence.
Borrowing, derecognition of financial assets and derivative financial instruments	
An important element of Company's fund raising strategy includes various types of borrowings including Indian rupee denominated and foreign currency denominated borrowings and a combination of fixed and floating interest rates. The Company's operations are also exposed to foreign exchange risk. The Company uses derivative financial instruments to manage foreign currency risk and interest rate risk primarily through foreign currency forward exchange contracts and interest rate swaps. Further the Company has been using hedge relationship designation as per criteria set out in relevant Indian accounting standards. Accounting thereof (including derecognition of financial assets/ liabilities) and related presentation and disclosures of these transactions requires judgement.	We have performed the following procedures: • Examined the related contracts. • Assessed the design, implementation and tested the operating effectiveness of controls over the Company's treasury and other management functions which directly impact the relevant account balances and transactions, including hedge accounting. • For selected samples, obtained external confirmations from counterparties of the year end positions as well as agreed to original agreements. • Performed sample tests of valuation and accounting of these transactions. In doing so we have involved independent valuation specialists to assist us in carrying out aforesaid procedure as considered appropriate. • Assessed the appropriateness of accounting for these transactions. • Assessed the appropriateness of the disclosures in the accounts 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 auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section

134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The comparative standalone financial statements of the Company for the year ended 31 March 2018 prepared in accordance with Ind AS included in these standalone financial statements were audited by the predecessor auditor who expressed an unmodified opinion thereon as per their report dated 17 May 2018.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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".

3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 38 to the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

4. With respect to the matter to be included in the Auditors' Report under Section 197(16):

   In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore
Partner
Membership No. 090075

Place: Gurugram
Date: 13 May 2019

Annexure A

to the Independent Auditors' report on the standalone financial statements of SRF Limited for the year ended 31 March 2019

Statement on matters specified in paragraphs 3 and 4 of the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).

b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all fixed assets (property, plant and equipment) are verified, in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain assets have been physically verified by the Management during the current year. As informed to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed/ lease deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold/ leasehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land and building	Gross Block 31 March 2019 (₹ in Crores)	Net Block 31 March 2019 (₹ in Crores)	Remarks
Registered Office building located at Mayur Vihar, New Delhi	4.21	4.08	The Company has got possession letter however execution of conveyance deed in the name of the Company is under process.
Land at Gummudipoondi	1.21	1.21	Out of the Industrial Free hold land measuring 32.41 acres at the Company's plant in Gummidipoondi, the Company does not have clear title to 2.43 acres.
Land at Bharuch, Dahej	95.74 (Carried cost)	95.74 (Carried cost)	The execution of lease deed of land in respect of 1,081,250 square meters of leasehold land allotted to the Company by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

(ii) The inventories, except goods in transit, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) The Central Government has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for activities carried out by the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income-tax, Sales-tax, Goods and Services Tax ("GST"), Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Sales-tax, GST, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues in respect Income-tax, Sales-tax, Service tax, Duty of custom, Duty of excise, GST and Value added tax which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (₹ Crores)
Central Excise Laws	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1994-2015	15.81
		Upto Commissioner (Appeals)	1993-2000	7.65
Service Tax Laws	Service Tax	Upto Commissioner(Appeals)	2006-2015	1.16
Customs Laws	Customs Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2012-2013	1.27
		Upto Commissioner (Appeals)	2002-2013	0.18
Sales Tax Laws	Sales Tax	Sales Tax Appellate Tribunal	1987-2008	0.56
		Upto Commissioner (Appeals)	1988-2017	48.38
Income Tax Laws	Income Tax	Supreme Court	1989-1990	1.13
		High Court	2000-2002	3.73
		Income Tax Appellate Tribunal (ITAT)	2012-2015	0.11
Others	Electricity Cess	High Court	2007-2014	0.06
Goods & Service tax Laws	Goods & Service tax	Upto Commissioner (Appeals)	2018-2019	0.05

The following matters, which have been excluded from the above table, have been decided in favour of the Company but the department has preferred appeals at higher levels. The details are given below:

Name of the Statute	Nature of the dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount (₹ Crores)*
Income Tax Laws	Income Tax	High Court	2003-2004	1.83
Central Excise Laws	Excise Duty	High Court	1994-1995	1.18
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1989-1995	2.24

*Amount as per demand orders including interest and penalty wherever quantified in the Order.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers or to any financial institutions and dues to debenture holders. The Company did not have any loans or borrowings from government during the year.

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loans have been applied by the Company during the year for the purposes for which they were raised. Further, the Company has not raised any money by way of initial public offer / further public offer (including debts instruments) during the year.

(x) According to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under Section 42 of the Act during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order and provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore
Partner
Membership No. 090075

Place: Gurugram
Date: 13 May 2019

Annexure B

to the Independent Auditors' report on the standalone financial statements of SRF Limited for the year ended 31 March 2019

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(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 2019 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 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore
Partner
Membership No. 090075

Place: Gurugram
Date: 13 May 2019

Standalone Balance Sheet

as at March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	4,735.70	4,228.29
Capital work-in-progress	2	692.07	556.93
Goodwill	3	1.41	1.41
Other intangible assets	4	108.86	112.73
Financial assets			
(i) Investments	5	83.71	83.72
(ii) Loans	6	34.05	30.41
(iii) Other financial assets	7	4.71	5.50
Non-current tax assets (net)	20	19.00	17.71
Other non-current assets	8	191.21	198.82
Total non - current assets		**5,870.72**	**5,235.52**
Current assets			
Inventories	9	1,099.11	827.62
Financial assets			
(i) Investments	5	100.49	121.70
(ii) Trade receivables	10	856.15	491.41
(iii) Cash and cash equivalents	11	162.80	67.66
(iv) Bank balances other than above	12	9.33	9.73
(v) Loans	6	7.33	11.99
(vi) Other financial assets	7	202.31	146.04
Other current assets	8	364.06	362.34
Total current assets		**2,801.58**	**2,038.49**
TOTAL ASSETS		**8,672.30**	**7,274.01**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	58.50	58.44
Other equity	14	3,860.14	3,391.23
Total equity		**3,918.64**	**3,449.67**

Standalone Balance Sheet (Contd.)

as at March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	1,694.92	1,504.57
Provisions	16	26.89	24.87
Deferred tax liabilities (net)	17	302.23	255.50
Other non-current liabilities	21	2.08	14.40
Total non - current liabilities		**2,026.12**	**1,799.34**
Current liabilities			
Financial liabilities			
(i) Borrowings	15	1,042.83	666.37
(ii) Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		18.24	19.35
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,073.91	785.52
(iii) Other financial liabilities	19	510.81	454.24
Other current liabilities	21	66.78	85.20
Provisions	16	5.14	3.79
Current tax liabilities (net)	20	9.83	10.53
Total current liabilities		**2,727.54**	**2,025.00**
Total Liabilities		**4,753.66**	**3,824.34**
TOTAL EQUITY AND LIABILITIES		**8,672.30**	**7,274.01**

Summary of significant accounting policies 1B

See accompanying notes to the standalone financial statements 2 to 40

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration no. 101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075

Place : Gurugram
Date : May 13, 2019

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
DIN - 00694766

Ashish Bharat Ram
Managing Director
DIN - 00671567

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557

Rahul Jain
President & CFO

Lakshman Lakshminarayan
Director
DIN - 00012554

Rajat Lakhanpal
Vice President
(Corporate Compliance) and
Company Secretary

Standalone Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Particulars		Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenue from operations	22	6,459.34	4,677.93
II	Other income	23	42.32	103.80
III	**Total Income (I + II)**		**6,501.66**	**4,781.73**
IV	**Expenses**			
	Cost of materials consumed	24.1	3,633.22	2,412.64
	Purchases of stock-in-trade	24.2	48.42	47.40
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.3	(69.84)	(34.78)
	Excise duty on sale of goods		-	95.83
	Employee benefits expense	25	425.17	377.84
	Finance costs	26	174.65	97.97
	Depreciation and amortisation expense	27	328.04	278.11
	Other expenses	28	1,268.89	994.08
	Total Expenses (IV)		**5,808.55**	**4,269.09**
V	**Profit before tax (III - IV)**		**693.11**	**512.64**
VI	**Tax expense**	29		
	Current tax		148.24	107.06
	Deferred tax			
	MAT credit entitlement		(87.11)	(88.91)
	Others		114.80	88.83
	Total tax expense		**175.93**	**106.98**
VII	**Profit for the year (V - VI)**		**517.18**	**405.66**
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	- Gain / (loss) of defined benefit obligation	14.2	(1.78)	(0.85)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	14.2, 30	0.62	0.29
	B (i) Items that will be reclassified to profit or loss			
	- Effective portion of gain / (loss) on hedging instruments in a cash flow hedge	14.3	54.50	(26.68)
	(ii) Income tax relating to items that will be reclassified to profit or loss	14.3, 30	(19.04)	9.33
	Total other comprehensive income for the year, net of taxes (A(i+ii) + B(i+ii))		**34.30**	**(17.91)**

Standalone Statement of Profit and Loss (Contd.)

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
IX	**Total comprehensive income for the year (VII + VIII)**		**551.48**	**387.75**
	Earning per equity share			
	Basic (in ₹)	36	90.01	70.65
	Diluted (in ₹)	36	90.01	70.65

Summary of significant accounting policies	1B
See accompanying notes to the standalone financial statements	2 to 40

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration no. 101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075

Place : Gurugram
Date : May 13, 2019

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
DIN - 00694766

Ashish Bharat Ram
Managing Director
DIN - 00671567

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557

Rahul Jain
President & CFO

Lakshman Lakshminarayan
Director
DIN - 00012554

Rajat Lakhanpal
Vice President
(Corporate Compliance) and
Company Secretary

Standalone Cash Flow Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	693.11	512.64
	Adjustments for:		
	Finance costs	174.65	97.97
	Interest Income	(4.36)	(3.74)
	Net gain on sale / discarding of property, plant and equipment	-	(0.15)
	Net gain on financial assets measured at fair value through profit and loss	(11.93)	(9.95)
	Credit impaired assets provided / written off	1.85	2.80
	Amortisation of grant income	(12.44)	(2.40)
	Depreciation and amortisation expense	328.04	278.11
	Property, plant and equipment and inventory discarded	1.95	5.65
	Provision / liabilities no longer required written back	(4.99)	(26.98)
	Amortisation of upfront payment for leasehold land	1.48	1.85
	Net unrealised currency exchange fluctuation loss / (gains)	(11.03)	1.51
	Employee share based payment expense	0.64	-
	Adjustments for (increase) / decrease in operating assets :-		
	Trade receivables	(365.51)	21.50
	Inventories	(272.28)	(100.83)
	Loans (current)	3.59	(1.73)
	Loans (non-current)	(3.64)	11.52
	Other assets (current)	(35.88)	(219.61)
	Other assets (non-current)	(22.33)	(22.39)
	Adjustments for increase / (decrease) in operating liabilities :-		
	Trade payables	287.29	159.56
	Provisions	3.38	1.28
	Other liabilities (non-current)	0.12	11.42
	Other liabilities (current)	(6.70)	5.16
	Cash generated from operations	**745.01**	**723.19**
	Income taxes paid (net of refunds)	(150.23)	(117.64)
	Net cash generated by operating activities	**594.78**	**605.55**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment for purchase of mutual funds	(785.43)	(530.00)
	Proceeds from sale of mutual funds	818.58	614.02
	Interest received	3.47	4.64
	Bank balances not considered as cash and cash equivalents	0.39	(1.24)
	Payment for purchase of property, plant and equipment, capital work-in-progress and other intangible assets	(887.44)	(1,275.24)
	Proceeds from disposal of property, plant and equipment	3.21	0.89
	Net cash used in investing activities	**(847.22)**	**(1,186.93)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of shares	0.06	-
	Proceeds from long-term borrowings	798.88	841.21
	Repayment of long-term borrowings	(558.02)	(362.54)
	Net proceeds / (repayment) from short-term borrowings	385.52	310.33
	Corporate dividend tax paid	(14.17)	(14.03)
	Dividends on equity share capital paid	(69.41)	(68.90)
	Finance costs paid	(195.28)	(104.92)
	Net cash generated by financing activities	**347.58**	**601.15**
	Net movement in cash and cash equivalents	**95.14**	**19.77**
	Cash and cash equivalents at the beginning of the year	67.66	47.89
	Cash and cash equivalents at the end of the year (Refer to note 11)	**162.80**	**67.66**

Standalone Cash Flow Statement (Contd.)

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Notes:

(i) The cash flow statement has been prepared under indirect method as set out in Indian Accounting Standard-7 (Ind AS) on 'Statement of Cash Flows'.

(ii) During the year, the Company paid in cash ₹ 10.38 Crores (Previous year: ₹ 5.00 Crores) towards corporate social responsibility (CSR) expenditure.

(iii) The following table disclose below changes in liabilities arising from financing activities, including both cash and non-cash changes:

Particulars	As at March 31, 2018	Cash flow from financing activities	Non-cash changes				As at March 31, 2019
			Upfront fees amortised	Exchange fluctuation changes #	Finance cost #	Interim dividend declared ^	
Equity share capital	58.44	0.06	-	-	-	-	58.50
Long-term borrowings*	1,817.09	240.86	3.26	(0.92)	-	-	2,060.29
Short-term borrowings	666.37	385.52	-	(9.06)	-	-	1,042.83
Interest accrued	21.93	(195.28)	-	-	202.75	-	29.40
Dividend and taxes thereon	6.32	(83.58)	-	-	-	83.15	5.89
Total	**2,570.15**	**347.58**	**3.26**	**(9.98)**	**202.75**	**83.15**	**3,196.91**

Particulars	As at March 31, 2017	Cash flow from financing activities	Non-cash changes				As at March 31, 2018
			Upfront fees amortised	Exchange fluctuation changes #	Finance cost #	Interim dividend declared ^	
Long-term borrowings*	1,308.91	478.67	2.38	27.13	-	-	1,817.09
Short-term borrowings	349.28	310.33	-	6.76	-	-	666.37
Interest accrued	5.27	(104.92)	-	-	121.58	-	21.93
Dividend and taxes thereon	6.32	(82.93)	-	-	-	82.93	6.32
	1,669.78	**601.15**	**2.38**	**33.89**	**121.58**	**82.93**	**2,511.71**

* including current maturity of long term debts

^ including taxes on dividend

including amount capitalised

See accompanying notes to the standalone financial statements 2 to 40

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration no. 101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
DIN - 00694766

Ashish Bharat Ram
Managing Director
DIN - 00671567

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557

Rahul Jain
President & CFO

Lakshman Lakshminarayan
Director
DIN - 00012554

Rajat Lakhanpal
Vice President
(Corporate Compliance) and
Company Secretary

Place : Gurugram
Date : May 13, 2019

Standalone Statement of Changes in Equity

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at March 31, 2017	**58.44**
Changes in equity share capital during the year	-
Balance at March 31, 2018	**58.44**
Changes in equity share capital during the year	0.06
Balance at March 31, 2019	**58.50**

(b) Other Equity

	Reserves and Surplus*						Items of other comprehensive income*	
	Capital reserve	General reserve	Capital redemption reserve	Debenture redemption reserve	Employee share based payment reserve	Retained earnings	Effective portion of cash flow hedge	Equity instrument through other comprehensive income
Balance at March 31, 2017	**219.19**	**523.54**	**10.48**	**50.00**	**-**	**2,276.88**	**10.54**	**(4.22)**
Profit for the year	-	-	-	-	-	405.66	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(0.56)	(17.35)	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**405.10**	**(17.35)**	**-**
Payment of dividend (₹ 12 per share)	-	-	-	-	-	(68.90)	-	-
Tax on Dividend	-	-	-	-	-	(14.03)	-	-
Transfer to debenture redemption reserve	-	-	-	75.00	-	(75.00)	-	-
Transfer from debenture redemption reserve	-	50.00	-	(50.00)	-	-	-	-
Balance at March 31, 2018	**219.19**	**573.54**	**10.48**	**75.00**	**-**	**2,524.05**	**(6.81)**	**(4.22)**
Profit for the year	-	-	-	-	-	517.18	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(1.16)	35.46	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**516.02**	**35.46**	**-**
Payment of dividend (₹ 12 per share)	-	-	-	-	-	(68.98)	-	-
Tax on Dividend	-	-	-	-	-	(14.17)	-	-
Employee share based payment expense	-	-	-	-	0.58	-	-	-
Balance at March 31, 2019	**219.19**	**573.54**	**10.48**	**75.00**	**0.58**	**2,956.92**	**28.65**	**(4.22)**

* Refer note 14

See accompanying notes to the standalone financial statements 2 to 40

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration no. 101248W / W-100022

For and on behalf of the Board of Directors

Kaushal Kishore
Partner
Membership No.: 090075

Arun Bharat Ram
Chairman
DIN - 00694766

Ashish Bharat Ram
Managing Director
DIN - 00671567

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557

Rahul Jain
President & CFO

Lakshman Lakshminarayan
Director
DIN - 00012554

Rajat Lakhanpal
Vice President
(Corporate Compliance) and
Company Secretary

Place : Gurugram
Date : May 13, 2019

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

1 Corporate Information, Significant Accounting Policies and Significant Accounting Judgements, Estimates and Assumptions

A Corporate Information

SRF Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's equity shares are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 and 237, Second Floor, Mayur Vihar Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110091. The Company's parent and ultimate holding company is KAMA Holdings Limited.

The principal activities of the Company are manufacturing, purchase and sale of technical textiles, chemicals, packaging films and other polymers.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 13, 2019.

B Significant Accounting Policies

1 Basis of Preparation

These standalone financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provisions of the Act.

The standalone financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation
- Share-based payments

The standalone financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all values are rounded to the nearest Crores, except when otherwise indicated.

The principal accounting policies are set out below.

2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle for the purpose of current / non current classification of assets and liabilities.

(All amounts in ₹ Crores, unless otherwise stated)

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.

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	30-60 years
Plant and machinery	2-30 years
Furniture and fixtures	15 years
Office equipment	3-20 years
Vehicles	4 years

Freehold land is not depreciated

Depreciation is calculated on a pro rata basis except assets costing upto ₹ 5,000 each, which are fully depreciated in the year of purchase.

An item of property, plant and equipment or any significant part initially recognised of such item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The estimated useful lives and methods of depreciation of property, plant and equipment

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

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	10-30 years
Software	3 years
Other intangibles	2.5-10 years

The Company has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

6 Research and development expenditure

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes.

Such development costs are capitalised if they can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

7 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or Company's of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

8 Impairment of tangible and intangible assets other than goodwill

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognised when the carrying amount of an asset or CGU exceeds its recoverable amount. In such cases, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

9 Leasing

Company as lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating Leases as lessee:

Lease rental expenses from operating leases is generally recognised on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Finance leases as lessee:

Assets held under finance lease are initially recognised as assets at the fair value at the inception of lease or at the present value of the minimum lease payments, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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 for the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

Interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they occur.

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.

(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.

12 Inventories

Inventories are valued at cost or net realisable value, whichever is lower. The basis of determining the cost for various categories of inventory are as follows:

(a) Raw materials, packing materials and stores and spares (including fuel) - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The aforesaid items are valued at Net Realisable Value if the finished products in which they are to be incorporated are expected to be sold at a loss.

(b) Traded goods, Stock in progress and finished goods- Direct cost plus appropriate share of overheads and excise duty, wherever applicable.

(c) By products - At estimated realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

13 Provisions and Contingent Liabilities

Provisions

The Company recognises a provision when there is a present obligation (legal or constructive) as a result of past events and it is more likely than not that an outflow of resources would be required to settle the obligation and a reliable estimate can be made.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

14 Revenue recognition

Effective April 1, 2018, the Company adopted IND AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. There is no material effect on adoption of Ind AS 115 on the financial statements.

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 sales tax, excise duty, value added tax, 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'.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

15 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e. in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to assets are presented in the balance sheet as deferred income and is recognised in profit or loss on a systematic basis over the expected useful life of the related assets.

17 Employee benefits

Short-term employee benefits

Wages and salaries including non monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the related services are rendered and are measured at the undiscounted amount expected to be paid.

Defined contribution plans

Provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund and Employees' State Insurance Corporation are defined contribution schemes. Contributions to such schemes are charged to the statement of profit and loss in the year when employees have rendered services entitling them to contributions. The Company has no obligation, other than the contribution payable to such schemes.

Defined benefit plans

The Company has defined benefit gratuity plan and provident fund for certain category of employees administered through a recognised provident fund trust. Provision for gratuity and provident fund for certain category of employees administered through a recognised provident fund trust are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss, other than remeasurements. The cost of providing these benefits is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability and return on plan assets), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Other long-term employee benefits

The Company also has other long-term employee benefits in the nature of compensated absences and long term retention pay. Provision for compensated absences and long term retention pay are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss. The cost of providing these benefits is determined using the projected unit credit method.

Share based payments

Equity settled share based payments to employees under SRF Long Term Share Based Incentive Plan (SRF LTIP) are measured at the fair value (which is the market price less exercise price) of the equity instruments on the grant date. This compensation expense is amortised over the remaining tenure over which the employees renders their service on a straight line basis.

18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the Company are classified in three categories:

a) At amortised cost

b) At fair value through profit and loss (FVTPL)

c) At fair value through other comprehensive income (FVTOCI)

Financial Asset is measured at amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets not classified as measured at amortised cost or FVTOCI as are measured at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value.

Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. 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

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for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Investments representing equity interest in subsidiaries are carried at cost less any provision for impairment.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

B) Financial liabilities and Equity instruments

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

The Company's financial liabilities includes borrowings, trade and other payables including financial guarantee contracts and derivative financial instruments.

Subsequent measurement

Borrowings

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption/repayment amount is recognised in profit and loss over the period of the borrowings using the effective interest rate method.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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 financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments (such as forward currency contracts, interest rate swaps) or non-derivative financial assets / liabilities to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit and loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

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(All amounts in ₹ Crores, unless otherwise stated)

a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.

b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss .

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in statement of profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the statement of profit or loss.

The company also designates non derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for the hedge of foreign currency risk associated with highly probable forecasted transactions and, accordingly, applies cash flow hedge accounting for such relationships.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in other comprehensive income remains separately in other equity until the forecast transaction occurs or the foreign currency firm commitment is met.

22 Fair value measurement

The Company measures some of its financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

b) Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

c) Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

23 Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole.

Notes to the Standalone Financial Statements

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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 Applicability of New and Revised Ind AS

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises present value of the lease payment (discounted using incremental borrowing rate) as right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments and lease rent expense will be replaced with the amortization of right-of-use asset and interest accrued on lease liability. The standard also contains enhanced disclosure requirements for lessees and will have consequential impact on cash flows categories as well.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019 using the modified retrospective approach and elected to measure the right-of -use assets at an amount equal to the lease liability as at the date of initial application.

The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

Ind AS 12 – Income taxes

(amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement.

Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under relevant tax laws. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company is in the process of evaluating the impact on its financial statements.

Notes to the Standalone Financial Statements

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Ind AS 109 – Financial Instruments

(Prepayment Features with Negative Compensation)

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Employee Benefits

(Plan Amendment, Curtailment or Settlement)

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of this amendment on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

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.

Judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

- Leasing arrangement (classification and accounting) – Note 1.B.9
- Financial instruments - Note 1.B.20
- Fair value measurement – Note 1.B.22
- Assessment of useful life of property, plant and equipment and intangible asset – Note 1.B.4
- Recognition and estimation of tax expense including deferred tax– Note 1.B.15
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 1.B.17
- Estimated impairment of financial assets and non-financial assets – Note 1.B.8
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 1.B.13

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(All amounts in ₹ Crores, unless otherwise stated)

2 Property, Plant and Equipment and Capital Work-In-Progress

	As at March 31, 2019	As at March 31, 2018
Freehold land	317.55	317.55
Roads	49.02	47.19
Buildings	601.98	571.64
Plant and equipment	3,702.34	3,230.19
Furniture and fixtures	16.61	16.91
Office equipment	26.47	22.82
Vehicle	21.73	21.99
	4,735.70	**4,228.29**
Capital work-in-progress	**692.07**	**556.93**

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Cost								
Balance at March 31, 2017	**317.81**	**45.69**	**548.39**	**2,985.21**	**18.77**	**30.04**	**26.94**	**3,972.85**
Additions / adjustments	-	4.90	73.11	869.30	3.47	10.16	13.70	974.64
Disposals	(0.26)	(0.22)	(1.70)	(14.89)	(0.06)	(0.25)	(4.99)	(22.37)
Balance at March 31, 2018	**317.55**	**50.37**	**619.80**	**3,839.62**	**22.18**	**39.95**	**35.65**	**4,925.12**
Additions / adjustments	-	3.08	50.22	754.38	1.88	11.65	8.91	830.12
Disposals	-	-	(0.05)	(4.84)	(0.02)	(0.51)	(5.22)	(10.64)
Balance at March 31, 2019	**317.55**	**53.45**	**669.97**	**4,589.16**	**24.04**	**51.09**	**39.34**	**5,744.60**
Accumulated depreciation								
Balance at March 31, 2017	**-**	**2.04**	**30.62**	**382.07**	**3.11**	**9.98**	**10.24**	**438.06**
Depreciation expenses	-	1.15	17.57	229.49	2.18	7.27	6.43	264.09
Disposals	-	(0.01)	(0.03)	(2.13)	(0.02)	(0.12)	(3.01)	(5.32)
Balance at March 31, 2018	**-**	**3.18**	**48.16**	**609.43**	**5.27**	**17.13**	**13.66**	**696.83**
Depreciation expenses	-	1.25	19.85	279.99	2.17	7.86	7.23	318.35
Disposals	-	-	(0.02)	(2.60)	(0.01)	(0.37)	(3.28)	(6.28)
Balance at March 31, 2019	**-**	**4.43**	**67.99**	**886.82**	**7.43**	**24.62**	**17.61**	**1,008.90**
Carrying Amount								
Balance at March 31, 2017	**317.81**	**43.65**	**517.77**	**2603.14**	**15.66**	**20.06**	**16.70**	**3534.79**
Additions / adjustments	-	4.90	73.11	869.30	3.47	10.16	13.70	974.64
Disposals	(0.26)	(0.21)	(1.67)	(12.76)	(0.04)	(0.13)	(1.98)	(17.05)
Depreciation expenses	-	(1.15)	(17.57)	(229.49)	(2.18)	(7.27)	(6.43)	(264.09)
Balance at March 31, 2018	**317.55**	**47.19**	**571.64**	**3,230.19**	**16.91**	**22.82**	**21.99**	**4,228.29**
Additions / adjustments	-	3.08	50.22	754.38	1.88	11.65	8.91	830.12
Disposals	-	-	(0.03)	(2.24)	(0.01)	(0.14)	(1.94)	(4.36)
Depreciation expenses	-	(1.25)	(19.85)	(279.99)	(2.17)	(7.86)	(7.23)	(318.35)
Balance at March 31, 2019	**317.55**	**49.02**	**601.98**	**3,702.34**	**16.61**	**26.47**	**21.73**	**4,735.70**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

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Notes:

(i) Borrowing cost capitalised during the year ₹ 31.36 Crores (Previous year: ₹ 31.25 Crores) with a capitalisation rate ranging from 7.24% to 8.80% (Previous year: 7.24% to 8.59%).

(ii) Conveyancing of buildings and other superstructures located at Company's plant at Malanpur, in the state of Madhya Pradesh including immovable machinery is linked to Stamp duty litigation against the Company (Refer to note 31(a) below).

(iii) Out of the Industrial Freehold land measuring 32.41 acres at the Company's plant in Gummidipoondi, the Company does not have clear title to 2.43 acres.

(iv) Capital expenditure incurred during the year includes ₹ 4.06 Crores (Previous year: ₹ 16.03 Crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 40 (a) below.

(v) Refer to note 15.1 for information on PPE pledged as security by the Company.

(vi) Refer to note 40 (c) for additions / adjustments on account of exchange difference during the year.

(vii) The Company has got a possession letter in respect of its registered office building located at Mayur Vihar, New Delhi. However, execution of the conveyance deed in name of the Company is under process.

(vii) The Company accounts for all capitalization of property, plant and equipment through capital work in progress and therefore the movement in capital work-in-progress is the difference between closing and opening balance of capital work-in-progress as adjusted in additions to property, plant and equipment and intangible assets.

3 Goodwill

	As at March 31, 2019	As at March 31, 2018
Cost	1.41	1.41
Accumulated impairment losses	-	-
	1.41	**1.41**

	Amount
Cost	
Balance at March 31,2017	**1.41**
Additions	-
Disposals	-
Balance at March 31,2018	**1.41**
Additions	-
Disposals	-
Balance at March 31,2019	**1.41**

	As at March 31, 2019	As at March 31, 2018
Engineering plastics units	0.79	0.79
Industrial yarn unit	0.62	0.62
	1.41	**1.41**

The Company has allocated goodwill to the above mentioned cash generating units and determined recoverable amount of this allocated goodwill using cash flow projections based on financial budget as approved by the directors of the Company.

Based on the above impairment testing no impairment losses have been recognised in the current year (Previous year: Nil).

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for the year ended March 31, 2019

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4 Other Intangible Assets

	As at March 31, 2019	As at March 31, 2018
Trade Marks/Brands	63.05	64.22
Technical Knowhow	40.44	40.82
Software	4.47	7.35
Others	0.90	0.34
	108.86	**112.73**

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at March 31, 2017	**75.21**	**2.98**	**20.20**	**18.74**	**117.13**
Additions / adjustments*	0.04	41.55	4.42	-	46.01
Disposals	-	-	(0.08)	-	(0.08)
Balance at March 31, 2018	**75.25**	**44.53**	**24.54**	**18.74**	**163.06**
Additions / adjustments*	1.95	1.14	2.17	0.56	5.82
Disposals	-	-	-	-	-
Balance at March 31, 2019	**77.20**	**45.67**	**26.71**	**19.30**	**168.88**
Accumulated amortisation					
Balance at March 31, 2017	**7.62**	**2.14**	**12.37**	**14.25**	**36.38**
Amortisation expenses	3.41	1.57	4.89	4.15	14.02
Disposals	-	-	(0.07)	-	(0.07)
Balance at March 31, 2018	**11.03**	**3.71**	**17.19**	**18.40**	**50.33**
Amortisation expenses	3.12	1.52	5.05	-	9.69
Disposals	-	-	-	-	-
Balance at March 31, 2019	**14.15**	**5.23**	**22.24**	**18.40**	**60.02**
Carrying Amount					
Balance at March 31, 2017	**67.59**	**0.84**	**7.83**	**4.49**	**80.75**
Additions / adjustments*	0.04	41.55	4.42	-	46.01
Disposals	-	-	(0.01)	-	(0.01)
Amortisation expenses	(3.41)	(1.57)	(4.89)	(4.15)	(14.02)
Balance at March 31, 2018	**64.22**	**40.82**	**7.35**	**0.34**	**112.73**
Additions / adjustments*	1.95	1.14	2.17	0.56	5.82
Disposals	-	-	-	-	-
Amortisation expenses	(3.12)	(1.52)	(5.05)	-	(9.69)
Balance at March 31,2019	**63.05**	**40.44**	**4.47**	**0.90**	**108.86**

* Refer note 40 (c) for additions / adjustments on account of exchange difference during the year.

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5 Investments

	As at March 31, 2019	As at March 31, 2018
Non-current		
Investment in equity instruments		
Subsidiary companies	83.60	83.60
Others	0.11	0.12
	83.71	**83.72**
Aggregate book value of unquoted investments	83.71	83.72
Aggregate amount of impairment in value of investments	4.34	4.34
Current		
Investment in mutual funds	100.49	94.07
Other investments	-	27.63
	100.49	**121.70**
Aggregate book value and market value of unquoted investments	100.49	121.70

5.1 Investment in subsidiaries (at cost)

	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of SRF Holiday Home Limited (A wholly owned subsidiary)	40,00,000	4.00	40,00,000	4.00
Equity shares of Euro 100 each fully paid up of SRF Global BV (A wholly owned subsidiary)	1,28,920	79.60	1,28,920	79.60
Contribution in SRF Employees Welfare Trust	-	*	-	-
		83.60		**83.60**

*Amount in absolute ₹ 35,000 (Previous year: Nil)

5.2 Other equity instruments (at fair value through other comprehensive income)

	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	42,21,535	4.22	42,21,535	4.22
Less: Impairment in value of investment		(4.22)		(4.22)
Equity Share of ₹ 10 each fully paid up Vaayu Renewable Energy (Tapti) Private Limited	50,000	0.05	50,000	0.05
Equity Shares of ₹ 10 each fully paid Suryadev Alloys & Power Private Limited	4,000	0.06	4,000	0.06
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	6,70,000	0.12	6,70,000	0.12
Less: Impairment in value of investment		(0.12)		(0.12)
Class A Equity shares of ₹ 0.10 each fully paid up of OPGS Power Gujarat Private Limited*	-	-	4,75,000	0.01
		0.11		**0.12**

*disposed off at carrying value during the year as it is not economically viable to continue power purchase

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

5.3 Investment in mutual funds (at fair value through profit and loss)

	As at March 31, 2019		As at March 31, 2018	
	Number	**Amount**	**Number**	**Amount**
Unquoted investments (Current)				
ICICI Prudential P1543 Saving Fund-Growth Plan	36,12,365	100.49	36,12,365	94.07
		100.49		**94.07**

5.4 Other investments (at fair value through profit and loss)

	As at March 31, 2019		As at March 31, 2018	
	Number	**Amount**	**Number**	**Amount**
Unquoted investments (Current)				
Non convertible debentures of ₹1,00,000 each of Reliance Capital Limited	-	-	2,500	27.63
		-		**27.63**

6 Loans

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Non- current		
Loans to employees	7.25	6.65
Security deposits (Refer note 32)	26.80	23.76
Others		
Credit impaired	0.07	0.15
Less : Provision for credit impaired loans	(0.07)	(0.15)
	34.05	**30.41**
Current		
Loans to employees	5.56	5.37
Security deposits (Refer note 32)	1.77	6.62
Others		
Credit impaired	2.74	2.74
Less : Provision for credit impaired loans	(2.74)	(2.74)
	7.33	**11.99**

7 Other Financial Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Non-Current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	1.87	-
- Interest rate swaps used for hedging	2.84	5.50
	4.71	**5.50**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Current		
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	3.40	1.44
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	25.26	4.55
- Interest rate swaps used for hedging	0.88	1.55
Other financial assets carried at amortised cost		
- Unbilled revenue	25.52	-
- Recoverable from related parties	1.95	4.06
- Insurance claim recoverable	17.22	31.34
- Government grants and claims recoverable	126.79	100.76
- Others	1.29	2.34
	202.31	**146.04**

8 Other Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Non-Current		
Capital advances	28.74	57.99
Prepaid expenses	0.50	0.04
CENVAT/ Service tax/ Goods and Services Tax/ Sales tax recoverable	10.79	29.40
Prepaid lease*	134.04	94.37
Claims Recoverable under Post EPCG scheme and others	17.14	17.02
	191.21	**198.82**
Current		
Prepaid expenses	14.65	10.63
CENVAT/ Service tax/ Goods and Services Tax/ Sales tax recoverable	264.70	254.83
Export incentives recoverable	42.40	34.65
Deposits with customs and excise authorities	12.57	7.04
Advance to suppliers	26.68	52.75
Prepaid lease*	1.73	1.28
Others	1.33	1.16
	364.06	**362.34**

*The execution of lease deed of land in respect of 1,081,250 sq. mtrs. (Previous year: 919,370 sq. mtrs.) of leasehold land allotted to the Company by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

9 Inventories

(Valued at lower of cost and net realisable value)

	As at March 31, 2019	As at March 31, 2018
Raw material (including packing material)	558.02	420.79
Stock in progress	134.09	89.02
Finished goods	179.81	156.18
Stores and spares (including fuel)	224.37	159.95
Traded goods	2.82	1.68
	1,099.11	**827.62**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Goods-in-transit included above :		
Raw material (including packing material)	202.58	160.40
Stock in progress	0.09	0.08
Finished goods	35.16	26.32
Stores and spares (including fuel)	1.39	0.05
Traded goods	0.11	-
	239.33	**186.85**

Notes

(i) The cost of inventories recognised as an expense includes ₹ 3.45 Crores (Previous year: ₹ 1.64 Crores) in respect of write-downs of inventory to net realisable value.

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

(iii) The method of valuation of inventories has been stated in note 1.B.12

10 Trade Receivables

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	856.15	491.41
Unsecured, credit impaired	1.64	1.11
Less: Provision for credit impaired receivables	(1.64)	(1.11)
	856.15	**491.41**

Notes

(i) The credit period generally allowed on sales varies, on a case to case basis, and from business to business and is based on market conditions. Maximum credit period allowed is upto 120 days.

(ii) Age of receivables :

	As at March 31, 2019	As at March 31, 2018
Within the credit period	691.94	359.79
1 to 180 days past due	161.03	131.23
More than 180 days past due	4.82	1.50
	857.79	**492.52**

(iii) The Company has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the Company in the receivables as identified. Receivables sold as on March 31, 2019 are of ₹ 315.41 Crores (Previous year: ₹ 437.72 Crores). The Company has derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the Company.

(iv) No customer represents more than 10% (Previous year: one customer represents 11.31%) of the total balances of trade receivables.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

11 Cash and Cash Equivalents

	As at March 31, 2019	As at March 31, 2018
Balances with banks		
Current accounts	113.84	47.70
Exchange earners foreign currency (EEFC) accounts	48.48	19.46
Cash on hand	0.48	0.50
	162.80	**67.66**

The disclosures regarding details of specified bank notes held and transacted during the period November 8, 2016 to December 31, 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2019.

12 Bank Balances Other than Above

	As at March 31, 2019	As at March 31, 2018
Earmarked balances		
- Margin money	3.44	3.41
- Unclaimed dividend accounts	5.89	6.32
	9.33	**9.73**

13 Share Capital

	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
120,000,000 (Previous Year - 120,000,000) Equity shares of ₹ 10 each	120.00	120.00
1,000,000 (Previous Year - 1,000,000) Preference shares of ₹ 100 each	10.00	10.00
1,200,000 (Previous Year - 1,200,000) Cumulative Preference shares of ₹ 50 each	6.00	6.00
20,000,000 (Previous Year - 20,000,000) Cumulative Preference shares of ₹ 100 each	200.00	200.00
	336.00	**336.00**
Issued share capital:		
61,537,255 (Previous Year - 61,477,255) Equity Shares of ₹ 10 each	**61.48**	**61.48**
Subscribed capital:		
57,480,500 (Previous Year - 57,420,500) Equity Shares of ₹ 10 each fully paid up	57.48	57.42
Add: Forfeited shares - Amount originally paid up	1.02	1.02
	58.50	**58.44**

13.1 Fully paid equity shares

	Number of shares	Amount
Balance at March 31, 2017	**5,74,20,500**	**57.42**
Add / Less: Movement during the year	-	-
Balance at March 31, 2018	**5,74,20,500**	**57.42**
Add / Less: Movement during the year (Refer note 34)	60,000	0.06
Balance at March 31, 2019	**5,74,80,500**	**57.48**

The Company has bought back Nil equity shares in aggregate in the last five financial years.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

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, 2019, the amount of interim dividend recognised as distributions to equity shareholders was ₹ 12 per share (Previous year: ₹ 12 per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

13.2 Details of shares held by the holding company

	Number of fully paid ordinary shares
As at March 31, 2019	
KAMA Holdings Limited, the Holding Company	3,00,49,000
As at March 31, 2018	
KAMA Holdings Limited, the Holding Company	3,00,49,000

13.3 Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid equity shares				
KAMA Holdings Limited	3,00,49,000	52.28%	3,00,49,000	52.33%
Amansa Holding Private Limited	44,42,241	7.73%	44,42,241	7.74%
DSP Blackrock Mutual Fund (through various schemes)	14,64,840	2.55%	29,51,511	5.14%

14 Other Equity

	As at March 31, 2019	As at March 31, 2018
General reserve	573.54	573.54
Retained earnings	2,956.92	2,524.05
Cash flow hedging reserve	28.65	(6.81)
Capital redemption reserve	10.48	10.48
Capital reserve	219.19	219.19
Debenture redemption reserve	75.00	75.00
Employee share based payment reserve	0.58	-
Reserve for equity instruments through other comprehensive income	(4.22)	(4.22)
	3,860.14	**3,391.23**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

14.1 General reserve

	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	573.54	523.54
Transfer from debenture redemption reserve	-	50.00
Balance at end of year	**573.54**	**573.54**

The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. Items included in general reserve will not be reclassified subsequently to profit and loss.

14.2 Retained earnings

	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	2,524.05	2,276.88
Profit for the year	517.18	405.66
Other comprehensive income arising from remeasurement of defined benefit obligation	(1.16)	(0.56)
Payment of dividend on equity shares	(68.98)	(68.90)
Corporate tax on dividend	(14.17)	(14.03)
Transfer to debenture redemption reserve	-	(75.00)
Balance at end of year	**2,956.92**	**2,524.05**

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. The amounts reported above are not distributable in entirety.

14.3 Cash flow hedging reserve

	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	(6.81)	10.54
Recognised / (released) during the year	54.50	(26.68)
Income tax related to above	(19.04)	9.33
Balance at end of year	**28.65**	**(6.81)**

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

14.4 Capital redemption reserve

	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	10.48	10.48
Increase / (decrease) during the year	-	-
Balance at end of year	**10.48**	**10.48**

Capital Redemption Reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. The reserve is utilised in accordance with the provisions of the Act.

14.5 Capital reserve

	As at March 31, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
Balance at beginning of year	75.00	50.00
Transfer from retained earnings	-	75.00
Transfer to general reserve	-	(50.00)
Balance at end of year	**75.00**	**75.00**

The Company has issued non-convertible debentures and as per the provisions of the Act, it is required to create debenture redemption reserve out of the profits of the Company available for payment of dividend.

14.7 Employee share based payment reserve

	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	-	-
Increase / (decrease) during the year	0.58	-
Balance at end of year	**0.58**	**-**

The Company has allotted equity shares to certain employees under an employee share purchase scheme. The employee share based payment reserve is used to recognise the value of equity settled share based payments provided to such employees as part of their remuneration. Refer note 34 for further details of the scheme.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

14.8 Reserve for equity instruments through other comprehensive income

	As at March 31, 2019	As at March 31, 2018
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.

15 Borrowings

	As at March 31, 2019	As at March 31, 2018
Non-current		
Secured		
3,000 Nos., 7.33% (2018: 3,000 Nos., 7.33%), listed, secured redeemable non-convertible debentures of ₹ 10 lakhs each* (Refer note 15.1.1)	299.95	299.75
Term Loans from banks* (Refer note 15.1.2)	1,522.05	1,245.66
Term Loans from others* (Refer note 15.1.3)	238.29	258.94
Less: Current maturities of long-term borrowings* (Refer note 19)	(365.37)	(312.52)
	1,694.92	**1,491.83**
* Above amount of borrowings are net of upfront fees paid ₹ 8.01 Crores (Previous year: ₹ 7.74 Crores)		
Unsecured		
Deferred payment liabilities	-	12.74
	-	**12.74**
	1,694.92	**1,504.57**
Current		
Secured		
Cash credits from banks (Refer note 15.1.4.(i))	0.36	94.99
Term loans from banks (Refer note 15.1.4.(ii))	335.00	104.75
	335.36	**199.74**
Unsecured		
Term loans from banks#	707.47	466.63
	707.47	**466.63**
	1,042.83	**666.37**

Includes ₹ 400.00 Crores (Previous year: ₹ 100.00 Crores) for Commercial Paper issued by the Company. The maximum amount due during the year is ₹ 400.00 Crores (Previous year: ₹ 300.00 Crores).

There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

15.1 Details of security of the secured loans

	Details of Loan	As at March 31, 2019#	As at March 31, 2018#	Security
1	3,000 (Previous Year 3,000), 7.33%, Listed, Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each *	300.0	300.00	Debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai 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, Pantnagar, Kashipur in the State of Uttarakhand and Dahej in the State of Gujarat (excluding certain assets) and an equitable mortgage of the Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.
	Terms and conditions			
	a) Redeemable at face value in one single installment at the end of 3rd year from the date of allotment.			
	b) Coupon is payable annually on 30th June every year.			
2	(i) Term loan from Banks *	1,494.21	1,192.84	**Moveable property** (a)(i) Out of the loans included in 2(i), loans aggregating to ₹ 1,321.47 Crores (Previous Year – ₹ 1,029.95 Crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai 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, Pantnagar in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets).
				(a)(ii) Out of the loans included in 2(i), loans aggregating to ₹ 172.74 Crores (Previous year – ₹ Nil Crores) is in the process of being secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai 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, Pantnagar in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets).
				Out of the loan included in 2(i)(a)(i) above, loan amounting to ₹ Nil Crores (Previous year – ₹ 162.89 Crores) is in the process of being additionally secured by hypothecation of Company's moveable properties both present and future, at Dahej in the State of Gujarat (save and except certain assets).

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Details of Loan	As at March 31, 2019#	As at March 31, 2018#	Security
				Immoveable property (b)(i) Out of the loans included in 2(i) above, loans aggregating to ₹ 928.73 Crores (Previous year – ₹ 1,192.84 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. (Refer footnote 1, 2, 3 and 4)
				(b)(ii) Out of loans included in 2(i) above, ₹ 565.48 Crores (Previous year - ₹ Nil Crores) is in the process of being additionally secured by equitable mortgage of immoveable properties at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.
				Footnote:
				1. Loans of ₹ 46.50 Crores (Previous year – ₹ 48.50 Crores) included in 2(i)(b)(i) above, is in the process of being additionally secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
				2. Loans aggregating to ₹ 882.23 Crores (Previous year – ₹ 1,144.34 Crores) included in 2(i)(b)(i) above, are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
				3. Loans aggregating to ₹ 170.87 Crores (Previous year – ₹ 426.06 Crores) included in 2(i)(b)(i) above, are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).
				4. Loans of ₹ Nil Crores (Previous year – ₹ 36.32 Crores) included in 2(i)(b)(i) above, are in the process of being additionally secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Gummidipoondi (leasehold land) in the State of Tamil Nadu, Special Economic Zone, Indore in the State of Madhya Pradesh and at Pantnagar in the state of Uttarakhand.
	(ii) Term loans from banks	34.55	58.63	Term loans from banks aggregating to ₹ 34.55 Crores (Previous year – ₹ 58.63 Crores) are secured by hypothecation of Company's certain moveable assets situated at Dahej in the State of Gujarat.
3	(i) Term loans from others	239.54	260.62	Loan of ₹ 239.54 Crores (Previous Year – ₹ 260.62 Crores) is secured by the hypothecation and equitable mortgage of the Company's moveable and immoveable properties at Dhar in the State of Madhya Pradesh.
4	(i) Cash credit/working capital demand loans	0.36	94.99	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh, Kashipur and Pantnagar in the State of Uttarakhand.
	(ii) Term loan from banks	335.00	104.75	

* Hypothecation and equitable mortgage rank pari-passu between term loans from banks / others.

Gross of upfront fees paid ₹ 8.01 Crores (Previous year: ₹ 7.74 Crores)

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

15.2 Terms of loans

As at March 31, 2019

Non Current Borrowings

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2020	Up to March 31, 2021	Up to March 31, 2022	From 2022 to 2026
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	7.33%	-	300.00	-	-
Rupee term loans	Half yearly payments	8.80% to 11.45%	4.97	5.00	6.00	32.50
	Quarterly payments	8.42%	25.05	49.80	49.80	24.90
	Yearly payments	8.60% to 8.90%	8.00	106.00	104.00	2.00
Foreign currency term loans	Quarterly	Fixed rate of 0.94% and floating rate of Libor plus spread ranging from 0.59% to 0.85%	-	162.89	217.18	353.31
	Half yearly instalments	Libor plus spread ranging from 1.30% to 1.85%	171.20	105.94	36.84	129.01
	Payable in one installment on maturity	Fixed rate of 0.05% and floating rate of Libor plus spread of 1.30%	158.91	-	-	15.00
			368.13	**729.63**	**413.82**	**556.72**

Amounts mentioned above are gross of upfront fees paid of ₹ 8.01 Crores.

Current Borrowings

Short term borrowings are either payable in one installment within one year or repayable on demand. For short term borrowings in foreign currency, interest rates range from Euribor + 15 bps to Euribor + 18 bps and from Libor to Libor + 25 bps. For rupee denominated short term loans taken during the year interest rate is at 6.58% to 9.30%.

As at March 31, 2018

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2019	Up to March 31, 2020	Up to March 31, 2021	From 2021 to 2026
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	7.33%	-	-	300.00	-
Rupee term loans	Half yearly payments	8.60% to 11.00%	9.81	4.97	5.00	38.50
	Quarterly payments	7.05%	0.30	25.05	49.80	74.70
Foreign currency term loans	Quarterly	0.94%	-	-	63.56	340.01
	Half yearly instalments	Libor plus spread ranging from 1.30% to 1.85%	122.32	161.44	99.90	156.40
	Annual Instalments	Libor plus spread of 1.60%	32.58	-	-	-
	Payable in one installment on maturity	Fixed rate of 0.05% and floating rate of Libor plus spread of 2.25%	149.86	162.89	-	15.00
			314.87	**354.35**	**518.26**	**624.61**

Amounts mentioned above are gross of upfront fees paid of ₹ 7.74 Crores.

Current Borrowings

Short term borrowings are payable in one installment within one year. For short term borrowings in foreign currency, interest rates range from Euribor + 15 bps to Euribor + 18 bps and from Libor to Libor + 50 bps . For rupee denominated short term loans taken during the year interest rate is at 6.28% to 8.25%.

Terms of repayment

1) Reedemable non convertible debenture of ₹ 300 Crores (Previous year: ₹ 300 Crores) are repayable in one bullet instalment in June 2020.
2) Rupee term loans of ₹ 1.97 Crores (Previous year: ₹ 6.02 Crores repayable in 3 half yearly instalments from September 2018) are repayable in 1 half yearly instalment in September 2019.
3) Rupee term loans of ₹ 46.50 Crores (Previous year: ₹ 48.50 Crores repayable in 9 half yearly instalments from August 2018) are repayable in 7 half yearly instalment from August 2019.
4) Rupee term loans of 3.74 Crores were repaid in current year (Previous year: ₹ 3.74 Crores repayable in 1 half yearly instalments in September 2018).
5) Rupee term loans of ₹ 149.55 Crores (Previous year: ₹ 149.85 Crores repayable in 18 instalments from June 2018) are repayable in 14 quarterly instalment from June 2019.
6) Rupee term loans of ₹ 200.00 Crores (Previous year: Nil) are repayable in 2 annual instalments from August 2020.
7) Rupee term loans of ₹ 20.00 Crores (Previous year: Nil) are repayable in 5 annual instalments from December 2019.
8) Foreign currency term loan of ₹ 172.74 Crores (Previous year: Nil) are repayable in 8 quarterly instalments from September 2020.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

9) Foreign currency term loan of ₹ 387.90 Crores (Previous year: ₹ 403.57 Crores repayable in 19 quarterly instalments from August 2020) are repayable in 19 quarterly instalments from August 2020.
10) Foreign currency term loan of ₹ 172.74 Crores (Previous year: Nil) are repayable in 14 quarterly instalments from July 2020.
11) Foreign currency term loan of ₹ 34.55 Crores (Previous year: ₹ 58.63 Crores repayable in 4 half yearly instalments from September 2018) are repayable in 2 half yearly instalments from September 2019.
12) Foreign currency term loan of ₹ 30.72 Crores (Previous year: ₹ 57.93 Crores repayable in 4 half yearly instalments from July 2018) are repayable in 2 half yearly instalments from July 2019.
13) Foreign currency term loan of ₹ 138.18 Crores (Previous year: ₹ 162.88 Crores repayable in 5 half yearly instalments from March 2019) are repayable in 4 half yearly instalments from September 2019.
14) Foreign currency term loan of ₹ 239.54 Crores (Previous year: ₹ 260.62 Crores repayable in 15 half yearly instalments from April 2018) are repayable in 13 half yearly instalments from April 2019.
15) Foreign currency term loan of ₹6.52 Crores were repaid in the current year (Previous year: ₹ 6.52 Crores is repayable in one yearly instalment in October 2018).
16) Foreign currency term loan of ₹ 26.06 Crores were repaid in current year (Previous year: ₹ 26.06 Crores is repayable in one yearly instalment in December 2018).
17) Foreign currency term loan of ₹ 158.91 Crores (Previous year: ₹ 149.86 Crores is repayable in one bullet instalment in April 2019) are repayable in one bullet instalment in April 2019.
18) Foreign currency term loan of ₹ 15.00 Crores (Previous year: ₹ 15.00 Crores is repayable in one bullet instalment in June 2022) are repayable in one bullet instalment in June 2022.
19) Foreign currency term loan of ₹ 162.89 Crores were repaid in current year (Previous year: ₹ 162.89 Crores are repayable in one bullet instalment in March 2020).

16 Provisions

	As at March 31, 2019	As at March 31, 2018
Non-Current		
Provision for employee benefits		
Provision for compensated absences (Refer note 33.3)	25.21	23.11
Provision for retention pay (Refer note 33.3)	1.68	1.76
	26.89	**24.87**
Current		
Provision for employee benefits		
Provision for compensated absences (Refer note 33.3)	5.07	3.70
Provision for retention pay (Refer note 33.3)	0.07	0.09
	5.14	**3.79**

17 Deferred Tax (Net)

The following is the analysis of deferred tax assets / (liabilities) presented in balance sheet

	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	348.42	260.91
Deferred tax liabilities	(650.65)	(516.41)
Deferred tax liabilities, net	**(302.23)**	**(255.50)**

The major components of deferred tax assets / (liabilities) arising on account of temporary differences are as follows:

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

2018-19	Opening balance	Recognised in Statemen of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets				
Expenses deductible in future years	13.84	0.90	-	14.74
Provision for doubtful debts / advances	0.39	0.19	-	0.58
MAT Credit Entitlement	243.23	87.11	-	330.34
Others	3.45	(0.69)	-	2.76
	260.91	87.51	-	348.42
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(512.97)	(112.96)	-	(625.93)
Investment in mutual funds	(6.00)	(2.24)	-	(8.24)
Cash flow hedges	3.76	-	(19.04)	(15.28)
Others	(1.20)	-	-	(1.20)
	(516.41)	(115.20)	(19.04)	(650.65)
Total	**(255.50)**	**(27.69)**	**(19.04)**	**(302.23)**

2017-18	Opening balance	Recognised in Statemen of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets				
Expenses deductible in future years	12.60	1.24	-	13.84
Provision for doubtful debts / advances	0.54	(0.15)	-	0.39
MAT Credit Entitlement	154.32	88.91	-	243.23
Others	1.70	1.75	-	3.45
	169.16	91.75	-	260.91
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(422.64)	(90.33)	-	(512.97)
Investment in mutual funds	(4.77)	(1.23)	-	(6.00)
Cash flow hedges	(5.57)	-	9.33	3.76
Others	(1.09)	(0.11)	-	(1.20)
	(434.07)	(91.67)	9.33	(516.41)
Total	**(264.91)**	**0.08**	**9.33**	**(255.50)**

Note:

There are capital losses of ₹ 283.57 Crores (Previous year: ₹ 277.45 Crores) on which no deferred tax asset has been created due to lack of probability of future capital gains against which such deferred tax assets can be realised. These capital losses would expire upto financial year ending March 31, 2023.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

18 Trade Payables

	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises#	18.24	19.35
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,073.91	785.52
	1,092.15	**804.87**

Refer to note 18.1

18.1 Total outstanding dues of micro enterprises and small enterprises

Sundry Creditors 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, 2019	As at March 31, 2018
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount	34.42	42.40
- Interest due thereon	0.01	0.70
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	31.60
- Interest actually paid under section 16 of MSMED/ settled	1.18	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	0.38
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	0.01	1.08
- Interest remaining unpaid as at the end of the year	1.02	2.19
Interest remaining due and payable even in the succeeding years, until such date when the interest dues are actually paid, for the purpose of disallowance of a deductible expenditure	0.01	1.08

19 Other Financial Liabilities

	As at March 31, 2019	As at March 31, 2018
Current		
Current maturities of long-term borrowings (Refer note 15)	365.37	312.52
Interest accrued but not due on borrowings	29.40	21.93
Unpaid dividends*	5.89	6.32
Security deposits received	5.95	6.26
Payables to capital creditors		
Total outstanding dues of micro enterprises and small enterprises#	17.20	25.24
Total outstanding dues of creditors other than micro enterprises and small enterprises	72.74	76.00
Unearned guarantee commission@	2.55	5.73
Employee share based payment liability (Refer note 34)	0.06	-
Others	11.65	0.24
	510.81	**454.24**

* Amount will be credited to investor education and protection fund if not claimed within seven years from the date of issue of dividend/interest warrant and the date the fixed deposits have matured.

Refer to note 18.1

@ pertains to guarantees given for subsidiaries

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

20 Tax Assets and Liabilities

	As at March 31, 2019	As at March 31, 2018
Non - Current tax assets		
Advance tax (net of provision for tax)	19.00	17.71
Current tax liablities		
Provision for tax (net of advance tax)	9.83	10.53

21 Other Liabilities

	As at March 31, 2019	As at March 31, 2018
Non-current		
Deferred government grants*	2.08	14.40
	2.08	**14.40**
Current		
Contract liability	14.74	28.72
Statutory liabilities	10.04	21.26
Other payables	33.70	28.47
Payable to gratuity trust (Refer note 33.2)	8.30	6.75
	66.78	**85.20**

*The Company has recognized grant in respect of duty paid on procurement of capital goods under post EPCG scheme of Central Government which allows refund of such duty in the form of freely transferable duty credit scrips upon meeting of requisite export obligation. The Company expects to meet its export obligations in future years. Export obligation as on March 31, 2019 is ₹ 25.18 Crores (Previous Year: ₹ 145.68 Crores).

22 Revenue from Operations

	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products*		
Manufactured goods	6,241.48	4,534.46
Traded goods	68.83	69.41
	6,310.31	**4,603.87**
Other operating revenues		
Claims	0.74	0.74
Export and other incentives	112.70	44.87
Scrap sales	34.78	18.16
Other operating income	0.81	10.29
	149.03	**74.06**
	6,459.34	**4,677.93**

*Revenue upto June 30, 2017 is inclusive of excise duty. However w.e.f. July 1, 2017 revenue is presented net of Goods and Services Tax. Hence revenue for the current year is not comparable with the previous year.

Reconciliation of revenue from sale of products with the contracted price

	Year ended March 31, 2019	Year ended March 31, 2018
Contracted price	6,434.69	4,700.76
Less: Discounts, allowances and claims	(124.38)	(96.89)
Sale of products	**6,310.31**	**4,603.87**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

23 Other Income

	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income*		
- from customers	0.07	0.08
- on loans and deposits	0.95	0.88
- on others	3.33	2.78
Net gain on sale/ discarding of property, plant and equipment	-	0.15
Net gain on financial assets measured at fair value through profit and loss	11.93	9.95
Net foreign currency exchange fluctuation gains	-	37.77
Provision/ liabilities no longer required written back	4.99	26.98
Other non-operating income	21.05	25.21
	42.32	**103.80**

*Pertains to financial assets measured at amortised cost

24.1 Cost of Materials Consumed

	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock of raw materials	420.79	367.19
Add: Purchases of raw materials	3,770.45	2,466.24
	4,191.24	2,833.43
Less: Closing stock of raw materials	558.02	420.79
Cost of materials consumed*	**3,633.22**	**2,412.64**

*Including packing material

24.2 Purchases of Stock in Trade

	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of stock in trade	48.42	47.40
	48.42	**47.40**

24.3 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade

	Year ended March 31, 2019	Year ended March 31, 2018
Inventories at the end of the year:		
Stock-in-Process	134.09	89.02
Finished goods	179.81	156.18
Traded goods	2.82	1.68
Less: Excise duty on finished goods	-	-
	316.72	**246.88**
Inventories at the beginning of the year:		
Stock-in-Process	89.02	75.52
Finished goods	156.18	149.01
Traded goods	1.68	1.87
Less: Excise duty on finished goods	-	(14.30)
	246.88	**212.10**
Net (increase) / decrease	**(69.84)**	**(34.78)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

25 Employee Benefits Expense

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages, including bonus	347.44	310.93
Contribution to provident and other funds	26.10	24.67
Workmen and staff welfare expenses	47.29	42.24
Employee share based payment expense (Refer note 34)	4.34	-
	425.17	**377.84**

26 Finance Cost

	Year ended March 31, 2019	Year ended March 31, 2018
Interest cost*		
- Non-convertible debentures	21.99	21.99
- Term loans and others	131.41	59.70
Other borrowing costs	11.88	10.19
Exchange differences regarded as an adjustment to borrowing costs	9.37	6.09
	174.65	**97.97**

*includes unwinding of deferred payment financial liability and pertains to liabilities measured at amortised cost.

27 Depreciation and Amortisation Expense

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment	318.35	264.09
Amortisation of intangible assets	9.69	14.02
	328.04	**278.11**

28 Other Expense

	Year ended March 31, 2019	Year ended March 31, 2018
Stores and spares consumed	49.07	42.62
Power and fuel	547.96	432.78
Labour production	35.99	29.89
Rent*	28.52	20.45
Repairs and maintenance		
- Buildings	4.96	3.61
- Plant and machinery	133.54	117.23
- Others	31.66	29.75
Insurance	16.99	14.94
Rates and taxes	34.47	5.46
Freight charges	210.62	177.44
Expenditure on corporate social responsibility**	10.38	5.00
Legal and professional charges	31.65	30.13
Travelling and conveyance	19.24	15.95
Directors' sitting fees	0.21	0.19

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Selling commission	15.68	8.66
Credit impaired assets provided/ written off	1.85	2.80
Property, plant and equipment/ inventory provided/ written off	1.95	5.65
Auditor remuneration		
- Audit fees	0.50	0.59
- For limited review of unaudited financial results	0.36	0.33
- For Corporate governance, consolidated financial statements and other certificates	0.09	0.08
- For tax audit	0.06	0.10
- Reimbursement of out of pocket expenses	0.09	0.06
Effluent disposal expenses	24.65	8.74
Net foreign currency exchange fluctuation loss	19.54	-
Miscellaneous expenses^	48.86	41.63
	1,268.89	**994.08**

*Refer to note 37

**Refer to note 40(f)

^Including ₹ 3.00 Crores (Previous year: Nil) paid as political contribution

29 Income Tax Recognised in Profit and Loss

	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
In relation to current year	149.55	109.52
Adjustment in relation to earlier years	(1.31)	(2.46)
	148.24	**107.06**
Deferred tax		
- MAT credit entitlement		
In relation to current year	(59.70)	(49.17)
Adjustment in relation to earlier years	(27.41)	(39.74)
	(87.11)	**(88.91)**
- Others		
In relation to current year	113.23	83.57
Adjustment in relation to earlier years	1.57	5.26
	114.80	**88.83**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

The income tax expenses for the year can be reconciled to the accounting profits as follows

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	**693.11**	**512.64**
Income Tax Expenses @ 34.944% (Previous year: 34.608%)	242.20	177.41
Effect of deductions (research and development and deductions under chapter VI A of Income Tax Act)	(45.61)	(39.68)
Effect of expenses that are not deductible in determining taxable profit	5.87	1.04
Effect of change in income tax rate from 34.608% to 34.944% vide Finance Act, 2018	-	4.90
Others	0.62	0.25
Income tax expenses recognised in profit and loss in relation to current year	**203.08**	**143.92**
Income tax credit recognised in statement of profit and loss in relation to earlier years*	(27.15)	(36.94)
Total Income tax expenses recognised in profit and loss	**175.93**	**106.98**

The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (Previous year: 34.608%) payable by corporate entities in India on taxable profits under the Indian tax law.

*This amount includes tax credit of ₹ 24.76 Crores (Previous year: ₹ 33.97 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 opinion from external tax experts and consultants and finalization of transfer pricing study /tax audit reports of the earlier years.

30 Income Tax Recognised in Other Comprehensive Income

	Year ended March 31, 2019	Year ended March 31, 2018
Arising on income and expense recognised in other comprehensive income		
Net (gain)/ loss on designated portion of hedging instruments in cash flow hedges	(19.04)	9.33
Remeasurement of defined benefit obligation	0.62	0.29
	(18.42)	**9.62**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	(19.04)	9.33
Items that will not be reclassified to profit or loss	0.62	0.29
	(18.42)	**9.62**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

31 Contingent Liabilities and Commitments

	As at March 31, 2019	As at March 31, 2018
a. Claims against the Company not acknowledged as debts		
Excise duty, custom duty and service tax*	21.33	22.94
Sales tax and entry tax **@	46.94	63.19
Income tax****	9.07	8.58
Stamp duty*****	28.82	28.82
Others***	1.00	0.94

*Amount deposited ₹ 6.16 Crores (Previous year: ₹ 7.49 Crores)

**Amount deposited ₹ 2.57 Crores (Previous year: ₹ 21.76 Crores)

***Amount deposited ₹ 0.09 Crores (Previous year: ₹ 0.08 Crores)

****Amount deposited ₹ 7.14 Crores (Previous year: ₹ 6.07 Crores)

*****In the matter of acquisition of the Tyrecord Division at Malanpur from CEAT Limited the Collector of Stamps, Bhind (Madhya Pradesh) has by his order dated November 7, 2001 assessed the value of the subject matter of the Deed of Conveyance dated June 13, 1996 at ₹ 303.00 Crores and levied a stamp duty of ₹ 23.73 Crores and imposed a penalty of ₹ 5.09 Crores. The said demand was challenged before the Hon'ble High Court of Madhya Pradesh Bench at Gwalior. The Hon'ble High Court of Madhya Pradesh accepted the case of the Company that the subject matter of the Deed of Conveyance dated June 13, 1996 is only the superstructures valued at ₹ 27.76 Crores and not the entire undertaking valued at ₹ 303.00 Crores as claimed by the State. Consequently, the Hon'ble High Court of Madhya Pradesh quashed the order and demands issued by the Collector of Stamps, Bhind (Madhya Pradesh) and allowed the writ petition by an order dated November 29, 2004. Against the said order, the State of Madhya Pradesh preferred a Special Leave Petition before the Hon'ble Supreme Court which the State of Madhya Pradesh has withdrawn to enable it to approach the Hon'ble High Court of Madhya Pradesh at Gwalior in view of the change in law in the State of Madhya Pradesh relating to Letters Patent Appeal. Since then, the Department has filed appeal which has been admitted. Matter will be listed in due course.

@As per Business Transfer Agreement with KAMA Holdings Limited, the liabilities of ₹ Nil Crores (Previous year: ₹ 20.64 Crores) and ₹ Nil Crores (Previous year: ₹ 0.38 Crores) respectively towards Excise Duty and Sales tax are covered under Representations and Warranties.

All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on the results of the operations or financial position of the Company.

b The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax amounting to ₹ 20.10 Crores (Previous year: ₹ 23.51 Crores) should not be levied. The Company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

c On February 28, 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the "India Defined Contribution Obligation") altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under Employees Provident Fund Act, 1952. There is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. Owing to the aforesaid uncertainty, the Company has not considered any probable obligations for periods prior to date of aforesaid judgment. The Company is further evaluating its next course of action in this matter.

d Guarantees given to banks and others for repayment of financial facilities availed by wholly owned subsidiaries are as below:

Name of the subsidiary	Currency	Guarantee amount as at				Loan/payable outstanding against the guarantee as at			
		March 31, 2019^		March 31, 2018^^		March 31, 2019^		March 31, 2018^^	
		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	317.84	46.00	299.71	13.00	89.82	18.00	117.28
	USD	12.00	82.91	19.49	126.98	0.49	3.41	5.49	35.78
	USD	14.95	103.30	14.95	97.41	0.58	4.03	3.15	20.52
	ZAR	80.00	38.09	80.00	44.44	3.70	1.76	51.89	28.82
SRF Global BV	EUR	11.00	85.34	-	-	10.00	77.58	-	-
	USD	44.00	304.02	22.00	143.34	**	**	23.70*	154.42*
	USD	-	-	40.50	263.88	-	-	40.00	260.62
	USD	66.00	456.03	-	-	59.51	411.18	-	-
SRF Industries (Thailand) Limited	USD	52.00	359.29	52.00	338.81	6.00	41.46	15.00	97.73
	USD	6.00	41.46	6.00	39.09	**	**	**	**
SRF Europe Kft (Hungary)	EUR	22.00	170.68	-	-	17.85	138.48	-	-

^Converted using closing exchange rate - USD 69.0950, Euro 77.580 and ZAR 4.761

^^Converted using closing exchange rate - USD 65.1550 and ZAR 5.5546

*However liability of SRF Limited was restricted up to Guarantee amount which is USD 22 Million (₹ 143.34 Crores)

**The loan under the said guarantee has been repaid in March 2019 and the Company is in the process of withdrawing this guarantee

***Represents the guarantee under working capital line, however, this has not been utilised by the subsidiary.

e The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

f **Capital and other commitments**

		Year ended March 31, 2019	Year ended March 31, 2018
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	150.15	140.82
(ii)	Commitment for investment in SRF Holiday Home Limited	0.05	0.05

(iii) 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.

(iv) The Company has recognized grant in respect of duty paid on procurement of capital goods under post EPCG scheme of Central Government which allows refund of such duty in the form of freely transferable duty credit scrips upon meeting of requisite export obligation. The Company expects to meet its export obligations in future years. Export obligation as on March 31, 2019 is ₹ 25.18 Crores (Previous year: ₹ 145.68 Crores).

32 Related Party Transactions

32.1 Description of related parties

Holding Company

KAMA Holdings Limited

Subsidiaries

SRF Holiday Home Limited
SRF Global BV
SRF Industries (Thailand) Limited
SRF Industex Belting (Pty) Limited
SRF Flexipak (South Africa) (Pty) Limited
SRF Europe Kft ^
SRF Employees Welfare Trust ^^

Fellow subsidiaries #

KAMA Realty (Delhi) Limited
Shri Educare Limited

Post Employment Benefit Plans Trust

SRF Limited Officers Provident Fund Trust
SRF Employees Gratuity Trust
SRF Officers Gratuity Trust

Key management personnel (KMP)

Mr. Arun Bharat Ram
Mr. Ashish Bharat Ram
Mr. Kartik Bharat Ram
Mr. Vinayak Chatterjee *
Mr. Tejpreet S Chopra
Mr. Lakshman Lakshminarayan
Mr. Vellayan Subbiah
Mr. Pramod Bhasin **
Dr. Meenakshi Gopinath
Mr. Pramod Gopaldas Gujarathi
Ms. Bharti Gupta Ramola ***

Enterprises over which KMP have significant influence #

SRF Foundation
Karm Farms LLP
Srishti Westend Greens Farms LLP
SRF Welfare Trust
Statkraft BLP Solar Solutions Private Limited ^^^

* upto March 31, 2019
** upto February 4, 2019
*** from February 4, 2019
^ from April 25, 2018
^^ from June 27, 2018
^^^ upto April 16, 2018
# Only with whom the Company had transactions during the year

Notes to the Standalone Financial Statements
for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

32.2 Transactions with related parties

	Year ended March 31, 2019	Year ended March 31, 2018
Sale of goods to:		
Subsidiaries	23.39	18.12
	23.39	18.12
Purchase of goods from:		
Subsidiaries	1.03	6.08
	1.03	6.08
Purchase of property, plant & equipment and intangible assets from:		
Subsidiaries	-	11.64
Enterprises over which KMP have significant influence	-	23.40
	-	35.04
Services rendered to:		
Subsidiaries	6.88	7.72
	6.88	7.72
Rent paid		
Fellow Subsidiaries	6.75	6.72
Key management personnel	0.29	0.29
Enterprises over which KMP have significant influence	1.56	1.56
	8.60	8.57
Reimbursement of expenses from		
Holding Company	0.01	0.01
Subsidiaries	1.54	1.14
Fellow Subsidiaries	0.04	0.04
	1.59	1.19
Loans / deposits given to (including exchange fluctuation)		
Fellow Subsidiaries	-	0.05
Enterprises over which KMP have significant influence	-	0.05
	-	0.10
Loans/deposits received back from		
Enterprises over which KMP have significant influence	1.20	-
	1.20	-
Donations to		
Enterprises over which KMP have significant influence	10.38	5.00
	10.38	5.00
Contribution to post employment benefit plans		
Post Employment Benefit Plans Trust	21.20	21.69
	21.20	21.69
Guarantees issued / renewed		
Subsidiaries*	1,088.35	325.78
	1,088.35	325.78

*Converted using closing exchange rate - March 31, 2019 : USD 114.95 Million @ 69.0950, Euro 33 Million @ 77.580 and ZAR 80 Million @ 4.761 (Previous year: USD 50 Million @ 65.1550)

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

32.3 Outstanding Balances:

	As at March 31, 2019	As at March 31, 2018
Receivables		
Subsidiaries	8.84	11.77
	8.84	11.77
Payables		
Subsidiaries	1.03	0.44
Post Employment Benefit Plans Trust	9.30	7.83
	10.33	8.27
Commission payable		
Key management personnel	7.00	5.85
	7.00	5.85
Security deposits outstanding		
Fellow Subsidiaries	3.39	3.39
Key management personnel	0.13	0.13
Enterprises over which KMP have significant influence	0.18	1.38
	3.70	4.90
Equity Investment outstanding		
Subsidiaries	83.60	83.60
	83.60	83.60
Guarantees outstanding		
Subsidiaries**	1,958.95	1,353.66
	1,958.95	1,353.66

**Converted using closing exchange rate - March 31, 2019 : USD 240.95 Million @ 69.0950, Euro 33 Million @ 77.580 and ZAR 80 Million @ 4.761 (Previous year: USD 200.94 Million @ 65.1550 and ZAR 80 Million @ 5.5546)

32.4 Key management personnel compensation

	Year ended March 31, 2019	Year ended March 31, 2018
Short-term benefits*	16.95	14.84
Post-employment benefits	1.36	1.23
Other long-term benefits	0.33	0.30
	18.64	**16.37**

* 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, 2019	Year ended March 31, 2018
Superannuation fund (Refer to note (i) below)	0.58	0.91
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	9.73	9.46
Employees' State Insurance Corporation	1.13	1.58
National Pension Scheme	1.78	1.45
	13.22	**13.40**

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 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 accounted for on the basis of an actuarial valuation.

33.2 Defined benefit plans

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by separate funds which are legally separate from the Company. These plans are:

(a) Gratuity

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

(i) These plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

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for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plans liability.

(ii) The principal assumption used for the purpose of the actuarial valuation were as follows

	As at March 31, 2019		As at March 31, 2018	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	7.66%	7.66%	7.74%	7.74%
Expected statutory interest rate	-	8.65%	-	8.55%
Salary increase	7.00%	-	7.50%	-
Retirement Age (years)	58	58	58	58
Mortality Rates	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Withdrawal rate				
Upto 30 years	20.00%	20.00%	10.00%	10.00%
31 to 44 years	7.00%	7.00%	5.00%	5.00%
Above 44 years	8.00%	8.00%	2.00%	2.00%

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

	As at March 31, 2019		As at March 31, 2018	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	6.00	6.36	5.44	5.37
Interest expenses (net of expected return on plan assets)	0.52	-	0.46	-
	6.52	**6.36**	**5.90**	**5.37**

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, 2019
(All amounts in ₹ Crores, unless otherwise stated)

(iv) Amounts recognised in Other Comprehensive Income

	As at March 31, 2019		As at March 31, 2018	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Actuarial (gain)/ losses on plan assets	(5.71)	-	(1.02)	-
Actuarial (gain)/ losses arising from changes in financial assumptions	(2.43)	-	(2.03)	-
Actuarial (gain)/ losses arising from changes in experience adjustments	9.92	-	3.90	-
	1.78	**-**	**0.85**	**-**

(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, 2019		As at March 31, 2018	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	70.66	121.17	62.22	105.25
Fair value of plan assets	62.36	123.07	55.47	106.83
Surplus/ (Deficit)	**(8.30)**	**1.90**	**(6.75)**	**1.58**
Effect of asset ceiling, if any	-	(1.90)	-	(1.58)
Net assets/ (liability)	**(8.30)**	**-**	**(6.75)**	**-**

(vi) Movements in the present value of defined benefit obligation are as follows

	Year ended March 31, 2019		Year ended March 31, 2018	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	62.22	105.25	57.53	93.31
Current service cost	6.00	6.36	5.44	5.37
Interest cost	4.81	8.01	4.23	6.82
Actuarial (gain)/ losses arising from changes in financial assumptions	(2.43)	-	(2.03)	-
Actuarial (gain)/ losses arising from changes in experience adjustments	9.92	-	3.90	-
Benefits paid	(9.86)	(7.87)	(6.85)	(11.82)
Contribution by plan participants/ employees	-	8.78	-	8.11
Settlement/ transfer in	-	0.64	-	3.46
Closing defined benefit obligation	**70.66**	**121.17**	**62.22**	**105.25**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

(vii) Movements in the fair value of plan assets are as follows

	Year ended March 31, 2019		Year ended March 31, 2018	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	55.47	106.83	51.29	93.48
Return on plan assets (excluding amounts included in net interest expenses)	10.00	8.33	4.79	8.23
Contributions from employer	6.75	6.36	6.24	5.37
Contributions from plan participants	-	8.78	-	8.11
Benefits paid	(9.86)	(7.87)	(6.85)	(11.82)
Settlement/ transfer in	-	0.64	-	3.46
Closing fair value of plan assets	**62.36**	**123.07**	**55.47**	**106.83**

Gratuity:

Plan assets comprises primarily of investment in HDFC Group Unit Linked Plan fund. The average duration of the defined benefit obligation is 23 years (Previous year: 23 years). The Company expects to make a contribution of ₹ 7.01 Crores (Previous year: ₹ 6.54 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, 2019		Year ended March 31, 2018	
Sensitivity analysis of Gratuity				
Discount rate	(2.05)	2.18	(2.44)	2.63
Expected salary growth	2.19	(2.07)	2.63	(2.46)
Sensitivity analysis of Provident Fund				
Discount rate	(0.01)	0.01	(0.01)	0.01

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, 2019	Year ended March 31, 2018
Long term retention pay (Refer to note (i) below)	0.17	1.60
Compensated absences	6.93	5.62
	7.10	**7.22**

(All amounts in ₹ Crores, unless otherwise stated)

(i) Long Term Retention Pay

The Company has a Long Term Retention Pay Plan which covers employees selected on the basis of their current band and their long term value to the Company. The incentive is payable in three year blocks subject to achievement of certain performance ratings. The Company also has a scheme for talent retention of certain identified employees under which an incentive is payable over a period of three years. Based on actuarial valuation, the Company has accrued the above mentioned amounts.

34 Employee Share Based Payments

The Company has an Employee Share Purchase Scheme (SRF Long Term Share Based Incentive Plan) to provide equity settled share based payments to certain employees. The expenses related to the grant of shares under the Scheme are accounted for on the basis of fair value of the share on the grant date (which is the market price of the Company's share on the date of grant less exercise price). The fair value so determined is expensed on a straight line basis over the remaining tenure over which the employees renders their services.

The number and fair value of equity shares granted during the year are as under:

	Year ended March 31, 2019	Year ended March 31, 2018
Number of equity shares granted during the year	60,000	-
Market price on the grant date (₹ per equity share)	1,724.73	-
Exercise price (₹ per equity share)	10.00	-
Fair value on the grant date (₹ per equity share)	1,714.73	-

35 Segment Reporting

Based on the guiding principles laid down in Indian Accounting Standard (Ind AS) - 108 "Segment Reporting", the Managing Director of the Company is the Chief Operating Decision Maker (CODM) and for the purposes of resource allocation and assessment of segment performance the business of the Company is segregated in the segments below:

- Technical Textiles business: includes nylon tyre cord fabric, belting fabric, polyester tyre cord fabric and industrial yarns and its research and development

- Chemicals business: includes refrigerant gases, chloromethane, pharmaceuticals, fluorochemicals & allied products and its research and development.

- Packaging Film business: includes polyester films.

- Others: includes coated fabric, laminated fabric and engineering plastics.

Effective April 1, 2018, the Company realigned its operating segments based on requirements under Ind AS 108 – Operating Segments. Accordingly, Laminated Fabrics business and Coated Fabrics business from "Technical Textiles Business" segment and Engineering Plastics business from "Chemicals and Polymers Business" segment have been regrouped to "Others" segment. Also "Chemicals and Polymers Business" segment has been renamed to "Chemicals Business" segment. Relevant comparative information has been restated to give effect to the above changes.

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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.

b) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

A. Information about operating business segments

	Year ended March 31, 2019	Year ended March 31, 2018
Segment revenue		
a) Technical textiles business (TTB)		
- External sales	1,732.34	1,529.74
- Inter-segment sales	3.36	2.81
Total	**1,735.70**	**1,532.55**
b) Chemicals business (CB)		
- External sales	2,446.56	1,611.58
- Inter-segment sales	-	-
Total	**2,446.56**	**1,611.58**
c) Packaging films business (PFB)		
- External sales	1,755.08	1,079.33
- Inter-segment sales	2.31	2.06
Total	**1,757.39**	**1,081.39**
d) Others		
- External sales	525.36	457.28
- Inter-segment sales	-	0.02
Total	**525.36**	**457.30**
Total segment revenue	**6,465.01**	**4,682.82**
Less: Inter segment revenue	5.67	4.89
Revenue from operations	**6,459.34**	**4,677.93**
Add: Unallocable income	42.32	103.80
Total revenue	**6,501.66**	**4,781.73**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Segment profits		
(Profit / (Loss) before interest and tax from each segment)		
a) Technical textiles business (TTB)	261.26	247.51
b) Chemicals business (CB)	385.63	269.20
c) Packaging films business (PFB)	275.67	135.70
d) Others	46.73	44.38
Total segment results	**969.29**	**696.79**
Less: i) Interest and finance charges	174.65	97.97
Less: ii) Other unallocable expenses net of income	101.53	86.18
Profit before tax	**693.11**	**512.64**
Less: Provision for taxation	175.93	106.98
Profit after tax	**517.18**	**405.66**
Capital expenditure		
a) Technical textiles business (TTB)	49.40	51.86
b) Chemicals business (CB)	836.22	935.71
c) Packaging films business (PFB)	71.77	303.49
d) Others	7.31	3.77
e) Unallocated	6.38	10.92
Total	**971.08**	**1,305.75**
Depreciation and amortisation		
a) Technical textiles business (TTB)	34.95	34.33
b) Chemicals business (CB)	221.61	185.17
c) Packaging films business (PFB)	49.96	36.94
d) Others	11.14	10.85
e) Unallocated	10.38	10.82
Total	**328.04**	**278.11**

Segment assets and liabilities	As at March 31, 2019	As at March 31, 2018
Segment assets		
a) Technical textiles business (TTB)	1,412.48	1,237.71
b) Chemicals business (CB)	4,913.89	3,897.63
c) Packaging films business (PFB)	1,624.00	1,471.30
d) Others	298.39	295.03
Total	**8,248.76**	**6,901.67**
Unallocable assets	423.54	372.34
Total assets	**8,672.30**	**7,274.01**
Segment liabilities		
a) Technical textiles business (TTB)	405.02	354.80
b) Chemicals business (CB)	433.96	349.48
c) Packaging films business (PFB)	375.81	251.77
d) Others	52.05	57.32
Total	**1,266.84**	**1,013.37**
Unallocable liabilities	3,486.82	2,810.97
Total liabilities	**4,753.66**	**3,824.34**

Notes to the Standalone Financial Statements

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B. Information about geographical business segments

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations		
- India	3,976.44	3,058.31
- Germany	312.48	174.55
- USA	286.02	267.86
- Belgium	263.90	152.49
- Switzerland	210.51	53.19
- Others	1,409.99	971.53
	6,459.34	**4,677.93**

	As at March 31, 2019	As at March 31, 2018
Non current segment assets		
- Within India	5,729.25	5,098.18
- Outside India	-	-
	5,729.25	**5,098.18**

Non-current segment assets includes property, plant and equipments, capital work in progress, intangible assets, goodwill and other non current assets.

No single customer contributed 10% or more to the company's revenue for both 2018-19 and 2017-18.

Revenue from major products	Year ended March 31, 2019	Year ended March 31, 2018
a) Technical textiles business (TTB)		
Synthetic filament yarn including industrial yarn/ Tyre cord/ Twine	216.14	164.56
Nylon tyre cord fabric/ Polyester tyre cord fabric/ Belting fabric	1,500.22	1,340.01
b) Chemicals business (CB)		
Fluorochemicals, Refrigerant gases and Allied products	991.48	822.93
Fluorospecialities chemicals	1,039.13	571.73
Chlorinated solvents and Industrial chemicals	347.80	138.52
Waste/ others	13.54	36.55
c) Packaging films business (PFB)		
Packaging films	1,683.83	1,060.11
d) Others		
Laminated fabric and Coated fabric	265.55	254.42
Nylon/ PBT/ PC compounding chips	252.62	215.04
	6,310.31	**4,603.87**

Notes to the Standalone Financial Statements

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36 Earnings Per Share (EPS)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share	517.18	405.66
Weighted average number of equity shares for the purpose of calculating basic earnings per shares and diluted earnings per share (numbers)	5,74,80,500	5,74,20,500
Basic earnings per share (₹)	90.01	70.65
Diluted earnings per share (₹)	90.01	70.65

37 Operating Lease

The Company has entered into operating lease agreements for various premises taken for accommodation of Company's officers/ directors, various offices of the Company, lands and certain equipments. These arrangements are both cancellable and non-cancellable in nature and range between two to ninety nine years. The future minimum lease payments under non-cancellable operating leases are as under: -

	As at March 31, 2019	As at March 31, 2018
Non-cancellable operating lease commitments		
- Within one year	9.57	6.89
- Later than one year and not later than five years	32.90	10.19
- Later than five years	91.52	60.91
	133.99	**77.99**

	Year ended March 31, 2019	Year ended March 31, 2018
Lease rent recognised in the Statement of profit and loss as per Note 28	28.52	20.45

38 Financial Instruments and Risk Management

38.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders by maintaining a reasonable balance between debt and equity. The capital structure of the Company consists of net debt (borrowings net of cash and cash equivalents) and 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, 2019	As at March 31, 2018
Debt	3,103.12	2,483.46
Cash and cash equivalents	162.80	67.66
Net debt	**2,940.32**	**2,415.80**
Total equity	**3,918.64**	**3,449.67**
Net debt to equity ratio	**0.75**	**0.70**

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(All amounts in ₹ Crores, unless otherwise stated)

38.2 Financial instruments by category

	Level of hierarchy	Notes	Carrying value as at: As at March 31, 2019	Carrying value as at: As at March 31, 2018	Fair value as at: As at March 31, 2019	Fair value as at: As at March 31, 2018
Financial assets						
Measured at amortised cost						
Trade Receivables		a	856.15	491.41	856.15	491.41
Cash and cash equivalents		a	162.80	67.66	162.80	67.66
Bank balances other than above		a	9.33	9.73	9.33	9.73
Loans		a,b	41.38	43.18	41.38	43.18
Other financial assets		a	172.77	37.74	172.77	37.74
			1,242.43	**649.72**	**1,242.43**	**649.72**
Measured at Fair value through profit and loss						
Investments in non-convertible debentures	1	d	-	27.63	-	27.63
Investments in mutual funds	2	d	100.49	94.07	100.49	94.07
Derivative instruments	2	d	3.40	1.44	3.40	1.44
			103.89	**123.14**	**103.89**	**123.14**
Measured at Fair value through Other comprehensive income						
Investments in unquoted equity instruments	3	d	0.11	0.12	0.11	0.12
Derivative instruments	2	d	30.85	11.60	30.85	11.60
			30.96	**11.72**	**30.96**	**11.72**
Financial Liabilities						
Measured at amortised cost						
Borrowings		a,c	2,737.75	2,170.94	2,737.75	2,170.94
Trade payables		a	1,092.15	804.87	1,092.15	804.87
Other financial liabilities		a	508.26	448.51	508.26	448.51
			4,338.16	**3,424.32**	**4,338.16**	**3,424.32**
Measured at Fair value through profit and loss						
Financial guarantee contracts	3	d	2.55	5.73	2.55	5.73
Derivative instruments	2	d	-		-	-
			2.55	**5.73**	**2.55**	**5.73**

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

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

Notes to the Standalone Financial Statements

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(b) Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

(c) Fair value of quoted financial instruments (listed debentures) is based on quoted market price at the reporting date. The fair value of other long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.

(d) The fair value is determined by using the valuation model/ technique with observable/ non-observable inputs and assumptions. Based on computation, the management has assessed that the carrying values approximates their fair values.

(e) Investment value excludes investment in subsidiaries which are shown at cost in balance sheet as per Ind AS 27 "Separate financial statements".

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2019 and March 31, 2018.

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. This category consists of non convertible debentures.

Level 2:

Valuation techniques with significant observable inputs: This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of over the counter (OTC) derivative contracts and open ended mutual funds.

Level 3:

Valuation techniques with significant unobservable inputs: This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments and financial guarantees contracts.

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

(i) Investments in mutual funds and non-convertible debentures: Fair value is determined by reference to quotes from the financial institutions.

(ii) Derivative contracts: The Company has entered into various foreign currency contracts and interest rate swaps contracts to manage its exposure to fluctuations in foreign exchange rates and interest rate respectively. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the authorized dealers banks and forward exchange rates at the balance sheet date.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

(iii) Unquoted equity investments: Fair value is determined based on the recoverable value as per agreement with the investee.

(iv) Financial guarantee contracts: Financial guarantee contracts are recognised initially as a liability at fair value determined based on comparative quotations from banks for provision of similar guarantees.

Reconciliation of Level 3 fair value measurements	Unlisted equity instruments	Financial Guarantee Contracts
As at March 31, 2017	**0.12**	**6.68**
Sale of investment	-	-
Income recognised in profit and loss	-	(0.95)
As at March 31, 2018	**0.12**	**5.73**
Sale of investment	(0.01)	-
Income recognised in profit and loss	-	(3.18)
As at March 31, 2019	**0.11**	**2.55**

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2019
(All amounts in ₹ Crores, unless otherwise stated)

A. Foreign Currency Risk Management

Foreign currency risk also known as Exchange Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign currency risk in the Company is attributable to Company's operating activities and financing activities.

In the operating activities, the Company's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). The Company manages the Net exposure on a rolling 12 month basis and hedges the exposures based on a duly approved policy by the Board. 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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD	321.20	253.85	1,825.76	1,498.45
EUR	128.23	92.53	394.31	464.38
JPY	-	-	6.36	5.76
GBP	4.85	0.33	0.58	0.08

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, 2019		Year ended March 31, 2018	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) *				
USD	11.33	(11.33)	12.36	(12.36)
EUR	(1.12)	1.12	(0.36)	0.36
JPY	0.06	(0.06)	0.06	(0.06)
GBP	(0.04)	0.04	-	-

*Includes sensitivity on long-term foreign currency monetary items on which Para D13 AA of Ind AS 101 has been applied. Accordingly, the exchange loss/ (gain) arising on long term foreign currency monetary items relating to acquisition of depreciable assets will be added to/ deleted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of assets.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Impact on equity (Other Comprehensive Income)

USD	3.45	(3.45)	-	-
EUR	3.88	(3.88)	4.03	(4.03)

Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within of 1 to 15 months for hedges of forecasted sales, purchases and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD / INR Sell forward	110	34	113.00	60.50	780.75	396.81	45.07	13.59
EUR / USD Sell forward	11	8	12.00	3.90	95.51	31.03	-	-
EUR / INR Buy forward	-	3	-	7.32	-	59.15	-	-

*Computed using average forward contract rates

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2019		Year ended March 31, 2018	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) for the year				
USD	0.98	(0.98)	0.46	(0.46)
EUR	0.51	(0.51)	0.31	(0.31)
Impact on equity				
USD	6.99	(6.99)	3.59	(3.59)
EUR	0.43	(0.43)	(0.60)	0.60

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

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 ₹ 853 Crores and floating interest loan is ₹ 1,215 Crores (Previous year: Fixed interest loan ₹ 939 Crores and Floating interest loan ₹ 873 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, 2019		Year ended March 31, 2018	
	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %
Increase in profit before tax by	2.09	1.20	1.00	1.04

In case of increase in interest rate by above mentioned percentage, there would be a comparable impact on the profit before tax as mentioned above would be negative.

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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
IRS Contracts*	4	7	23.13	36.21	54.24	87.84	105.58	148.07

* 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

C. Hedge accounting

Cash flow hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2019			Year ended March 31, 2019	As at March 31, 2018			Year ended March 31, 2018
	Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in OCI	Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in OCI
Foreign exchange contracts	769.88	27.13	Other financial assets (current and non - current)	22.58	421.86	4.55	Other financial assets (current and non - current)	(6.75)
Foreign currency denominated loans	733.38	733.38	Non current borrowing	35.25	403.57	403.57	Non current borrowing	(22.17)
Interest rate swap contacts	159.82	3.72	Other financial assets (current and non - current)	(3.33)	235.91	7.05	Other financial assets (current and non - current)	2.24

Fair flow hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2019			Year ended March 31, 2019	As at March 31, 2018			Year ended March 31, 2018
	Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in statement of profit and loss	Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in statement of profit and loss
Foreign exchange contracts	151.45	3.40	Other financial assets (current and non - current)	1.97	78.72	1.44	Other financial assets (current and non - current)	(3.63)

(All amounts in ₹ Crores, unless otherwise stated)

38.3.2 Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables, loans and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with counterparties who meet the parameters specified in Investment Policy of the Company . The investment policy is reviewed by the Company's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as the minimize the concentration of risks and therefore mitigate financial loss due to counterparty's potential failure.

Expected credit loss on financial assets:

To manage credit risk for trade receivables, the Company establishes credit approvals and credit limits, periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets other than as detailed below.

Loss allowance for the following financial assets have been recognised by the Company:

	Note No.	As at March 31, 2019	As at March 31, 2018
Loans - non-current	6	0.07	0.15
Loans - current	6	2.74	2.74
Trade receivables	10	1.64	1.11
		4.45	**4.00**

	Loans (current and non current)	Trade receivables
As at March 31, 2017	**2.89**	**1.50**
Provided during the year	1.12	1.68
Reversed during the year	(1.11)	(2.07)
As at March 31, 2018	**2.90**	**1.11**
Provided during the year	1.07	0.77
Reversed during the year	(1.16)	(0.24)
As at March 31, 2019	**2.81**	**1.64**

Other than financial assets mentioned above, none of the Company's financial assets are either impaired or past due, and there are no indications that defaults in payments obligation would occur.

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

38.3.3 Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the Company to meet its financial obligations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of money market instruments, bank overdrafts, bank loans, debentures and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director, Chief Financial Officer and Treasury Head. The Company assesses the concentration of risk with respect to refinancing its debt, guarantee given and funding of its capital expenditure needs of the future. The Company manages its liquidity by holding appropriate volumes of liquid assets which are available for its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyze the Company's financial liabilities into relevant maturity profiles based on their contractual maturities:

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2019				
Borrowings*	1,408.20	1,557.16	137.76	3,103.12
Trade payables	1,092.15	-	-	1,092.15
Other financial liabilities	145.44	-	-	145.44
	2,645.79	**1,557.16**	**137.76**	**4,340.71**

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2018				
Borrowings*	978.89	1,247.14	257.43	2,483.46
Trade payables	804.87	-	-	804.87
Other financial liabilities	141.72	-	-	141.72
	1,925.48	**1,247.14**	**257.43**	**3,430.05**

* including current maturity of non-current borrowings

39 Contract balances (Unbilled revenue)

The following table provides information about contract assets and contract liabilities from contracts with customers:

Contact assets	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance	-	-
Increase as a result of changes in measure of progress	25.52	-
Transfer from contract assets recognised at the beginning of the year to receivables	-	-
	25.52	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Contact liability	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance	28.72	25.01
Revenue recognised that was included in the contract liability balance at the beginning of the period	(28.72)	(25.01)
Increase due to cash received, excluding the amount recognised as revenue during the period	14.74	28.72
	14.74	**28.72**

40 Additional Disclosures

(a) Research and Development Expenditure

The details of research and development expenditure of ₹ 104.40 Crores (Previous year: ₹ 106.86 Crores) included in notes 2 to 28 above are as under:

	Year ended March 31, 2019	Year ended March 31, 2018
Capital expenditure	4.06	16.03
Revenue expenditure	100.34	90.83
	104.40	**106.86**
The details of revenue expenditure incurred on research and development is as below:		
Cost of material consumed	2.46	1.50
Salaries and wages, including bonus	34.96	33.29
Contribution to provident and other funds	2.03	2.01
Workmen and staff welfare expenses	3.07	1.93
Stores and spares consumed	8.45	8.07
Power and fuel	7.24	5.13
Rent	1.28	0.35
Repairs and maintenance		
- Buildings	0.01	0.10
- Plant and machinery	9.33	10.41
- Others	1.55	0.55
Insurance	0.38	0.50
Rates and taxes	0.08	0.05
Travelling and conveyance	1.45	1.42
Legal and professional charges	4.13	2.81
Depreciation and amortisation expense	18.60	17.53
Miscellaneous expenses	5.32	5.18
	100.34	**90.83**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

(b) Managerial Remuneration

(i)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Remuneration to Chairman/ Managing Director/ Deputy Managing Director/ Whole time Director		
Salary and contribution to provident and other funds	7.44	6.74
Value of perquisites	3.53	3.16
Commission	6.50	5.45
SUB-TOTAL	**17.47**	**15.35**
(b) Remuneration to Non Executive Directors		
Commission	0.50	0.40
Directors' sitting fees	0.21	0.19
Other fees	0.13	0.13
SUB-TOTAL	**0.84**	**0.72**
TOTAL	**18.31**	**16.07**

(ii) Computation of managerial remuneration in accordance with section 197 of the Companies Act, 2013

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before taxation	693.11	512.64
Add:		
Managerial remuneration including commission	18.31	16.07
Loss/ write off of fixed assets as per accounts	1.53	4.97
Provision for doubtful debts/ advances/ investments	0.55	0.16
Sub Total	**20.39**	**21.20**
Less:		
Profit on sale of fixed assets as per accounts	-	0.15
Net Gain on financial assets measured at FVTPL	11.93	9.95
Excess Provision written back	4.99	26.98
Sub Total	**16.92**	**37.08**
Profit as per section 197 of the Companies Act, 2013	**696.58**	**496.76**
Maximum remuneration as commission and/ or salary including perquisites @ 10% of net profit of ₹ 696.58 Crores (Previous year: ₹ 496.76 Crores) which can be paid to Managing Directors/ Whole time Directors under section 197 of the 2013 Act	69.66	49.68
Remuneration paid/ payable to Managing Directors / Whole Time Directors	**17.47**	**15.35**
Maximum remuneration payable to Non-Executive Directors @ 1% of net profit of ₹ 696.58 Crores (Previous year: ₹ 496.76 Crores) under section 197 of the 2013 Act	6.97	4.97
Remuneration paid/ payable to Non-Executive Directors	**0.84**	**0.72**

Notes to the Standalone Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

(c) The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13 AA of Ind AS 101. Accordingly, exchange loss/ (gain) arising on all long term monetary items financed or re-financed on or before March 31, 2016 relating to acquisition of following depreciable assets are added to/ adjusted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of such assets.

Exchange loss/ (gain) added/ (adjusted)	Year ended March 31, 2019	Year ended March 31, 2018
Property, plant and equipment		
- Plant and equipment	62.54	4.58
	62.54	**4.58**
Other Intangible Assets		
- Trade marks/ Brands	1.95	0.04
- Technical knowhow	1.14	-
- Others	0.56	-
	3.65	**0.04**

The cumulative exchange loss/ (gain) added/ (adjusted) and remaining unamortised as at March 31, 2019 is ₹ 132.49 Crores (Previous year: ₹ 79.51 Crores).

(d) Details of loans and investments given on behalf of other companies are as under: -

Entity	Nature of Guarantee	Purpose
Guarantee details	Refer note 31 (d) above	To secure the financial facilities sanctioned to subsidiaries by banks and other companies.

(e) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2019 is to be conducted on or before due date of the filing of return and the company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

(f) The Company was required to spend ₹ 10.38 Crores (Previous year: ₹ 9.56 Crores) on corporate social responsibility activities under section 135 of the Companies Act, 2013 out of which ₹ 10.38 Crores (Previous year: ₹ 5.00 Crores) has been spent.

(g) On May 11, 2019, the Company has entered into business transfer agreement for sale of its Engineering Plastics Business for a consideration of ₹ 320 Crores (subject to working capital adjustments), upon completion of closing conditions. The statutory and legal formalities are expected to be completed within 6 months from the date of signing. This business was reported under "Others segment".

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration no. 101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075

Place : Gurugram
Date : May 13, 2019

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
DIN - 00694766

Ashish Bharat Ram
Managing Director
DIN - 00671567

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557

Rahul Jain
President & CFO

Lakshman Lakshminarayan
Director
DIN - 00012554

Rajat Lakhanpal
Vice President
(Corporate Compliance) and
Company Secretary

CONSOLIDATED
FINANCIALS

INDEPENDENT AUDITORS' REPORT

To the Members of SRF Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of SRF Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, 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 2019, 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 Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
Capital expenditure	
The Group's spending on capital projects and the related cost is significant (refer note 4 to the consolidated financial statements). The assessment and timing of whether assets meet the capitalisation criteria set out in relevant Indian accounting standards requires judgement. As a result, there is a risk that the Group's expenditure on tangible non-current assets is inappropriately capitalised against relevant accounting guidance.	We have performed the following procedures: • Assessed the design, implementation and tested the operating effectiveness of controls over the application of the policy to expenditure incurred during the year on various projects undertaken by the Group. This includes consideration of the allocation of costs between capital and operating expenditure. • Performed sample tests of capital expenditure on projects including an examination of management's assessment as to whether the project spend including borrowing cost and other allocable expenditure met the recognition criteria set forth in relevant Indian accounting standards.

The key audit matter	How the matter was addressed in our audit
	• For selected projects, verified the evidence used to determine the date when assets were available for use. • For a sample of capital projects, inspected capital project authorisation, and agreed a sample of project costs to appropriate evidence.
Borrowing, derecognition of financial assets and derivative financial instruments	
An important element of Group's fund raising strategy includes various types of borrowings including Indian rupee denominated and foreign currency denominated borrowings and a combination of fixed and floating interest rates. The Group's operations are also exposed to foreign exchange risk. The Group uses derivative financial instruments to manage foreign currency risk and interest rate risk primarily through foreign currency forward exchange contracts and interest rate swaps. Further the Group has been using hedge relationship designation as per criteria set out in relevant Indian accounting standards. Accounting thereof (including derecognition of financial asserts/ liabilities) and related presentation and disclosures of these transactions requires judgement.	We have performed the following procedures: • Examined the related contracts. • Assessed the design, implementation and tested the operating effectiveness of controls over the Group's treasury and other management functions which directly impact the relevant account balances and transactions, including hedge accounting. • For selected samples, obtained external confirmations from counterparties of the year end positions as well as agreed to original agreements. • Performed sample tests of valuation and accounting of these transactions. In doing so we have involved independent valuation specialists to assist us in carrying out aforesaid procedure as considered appropriate. • Assessed the appropriateness of accounting for these transactions • Assessed the appropriateness of the disclosures in the accounts in respect of both non-derivative and derivative financial instruments.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance 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 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 Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding Company and its subsidiaries) 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, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. 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 the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

A. We did not audit the financial statements of seven subsidiaries, whose financial statements reflect total assets of Rs. 1,792.47 crores (before consolidation adjustments) as at 31 March 2019, total revenues of Rs. 1,281.45 crores (before consolidation adjustments) and net cash flows amounting to Rs. 7.40 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 audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

B. The comparative consolidated financial statements of the Group for the year ended 31 March 2018 prepared in accordance with Ind AS included in these consolidated financial statements were audited by the predecessor auditor who expressed an unmodified opinion thereon as per their report dated 17 May 2018.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. 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 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 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 company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements.

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 41 to the consolidated financial statements in respect of such items as it relates to the Group.

   iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2019.

   iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.

3. With respect to the matter to be included in the Auditor's report under section 197(16):

   In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore
Partner
Membership No. 090075

Place: Gurugram
Date: 13 May 2019

Annexure A

to the Independent Auditors' report on the consolidated financial statements of SRF Limited for the year ended 31 March 2019

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 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of SRF Limited as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of SRF Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, 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 one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Kaushal Kishore
Partner
Membership No. 090075

Place: Gurugram
Date: 13 May 2019

Consolidated Balance Sheet

as at March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	5,496.45	5,004.78
Capital work-in-progress	4	753.61	558.81
Goodwill	5	4.08	4.08
Other intangible assets	6	108.86	112.73
Financial assets			
(i) Investments	7	0.11	0.12
(ii) Loans	8	34.05	30.73
(ii) Other financial assets	10	4.71	5.50
Non current tax assets (net)	22	19.00	17.71
Other non-current assets	11	294.74	202.66
Total non-current assets		**6,715.61**	**5,937.12**
Current assets			
Inventories	12	1,224.74	958.18
Financial assets			
(i) Investments	7	100.49	121.70
(ii) Trade receivables	13	1,028.75	680.65
(iii) Cash and cash equivalents	14	189.55	87.01
(iv) Bank balances other than above	15	9.33	9.73
(v) Loans	8	11.18	14.45
(vi) Other financial assets	10	200.38	142.89
Other current assets	11	407.87	411.28
Total current assets		**3,172.29**	**2,425.89**
TOTAL ASSETS		**9,887.90**	**8,363.01**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	58.50	58.44
Other equity	17	4,070.77	3,506.09
Total equity		**4,129.27**	**3,564.53**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	2,161.34	1,907.26
Provisions	19	38.10	33.37
Deferred tax liabilities (net)	9	341.98	291.38
Other non-current liabilities	23	18.53	34.26
Total non-current liabilities		**2,559.95**	**2,266.27**

Consolidated Balance Sheet (Contd.)

as at March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Current liabilities			
Financial liabilities			
(i) Borrowings	18	1,127.39	850.78
(ii) Trade payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		18.24	19.35
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,364.18	1,024.89
(iii) Other financial liabilities	21	602.49	523.59
Other current liabilities	23	70.59	98.47
Provisions	19	5.96	4.60
Current tax liabilities (Net)	22	9.83	10.53
Total current liabilities		**3,198.68**	**2,532.21**
Total Liabilities		**5,758.63**	**4,798.48**
TOTAL EQUITY AND LIABILITIES		**9,887.90**	**8,363.01**

Summary of significant accounting policies	1-3
See accompanying notes to the consolidated financial statements	4 to 45

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration no. 101248W / W-100022

For and on behalf of the Board of Directors

Kaushal Kishore
Partner
Membership No.: 090075

Arun Bharat Ram
Chairman
DIN - 00694766

Ashish Bharat Ram
Managing Director
DIN - 00671567

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557

Rahul Jain
President & CFO

Lakshman Lakshminarayan
Director
DIN - 00012554

Rajat Lakhanpal
Vice President
(Corporate Compliance) and
Company Secretary

Place : Gurugram
Date : May 13, 2019

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I Revenue from operations	24	7,692.69	5,684.87
II Other income	25	40.14	115.12
III Total Income (I + II)		**7,732.83**	**5,799.99**
IV Expenses			
Cost of materials consumed	26.1	4,382.14	3,015.70
Purchases of stock-in-trade	26.2	48.55	47.40
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26.3	(71.05)	(31.10)
Excise duty on sale of goods		-	95.83
Employee benefits expense	27	515.91	474.04
Finance costs	28	201.60	123.89
Depreciation and amortisation expense	29	366.87	315.80
Other expenses	30	1,461.92	1,176.76
Total Expenses (IV)		**6,905.94**	**5,218.32**
V Profit before tax (III - IV)		**826.89**	**581.67**
VI Tax expense	31		
Current tax		148.24	107.06
Deferred tax			
MAT credit entitlement		(87.11)	(88.91)
Others		124.13	101.81
Total tax expense		**185.26**	**119.96**
VII Profit for the year (V - VI)		**641.63**	**461.71**
VIII Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans	17.2	(1.49)	(1.41)
(ii) Income tax relating to items that will not be reclassified to profit or loss	17.2, 32	0.62	0.29
B (i) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations	17.8	(24.69)	21.56
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	17.3	50.25	(26.68)
(ii) Income tax on items that will be reclassified to profit or loss	32	(19.05)	9.33
Total other comprehensive income for the year, net of taxes (A(i+ii) + B(i+ii))		**5.64**	**3.09**

Consolidated Statement of Profit and Loss (Contd.)

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
IX Total comprehensive income for the year (VII + VIII)		**647.27**	**464.80**
Earning per equity share			
Basic (in ₹)	39	111.66	80.41
Diluted (in ₹)	39	111.66	80.41

Summary of significant accounting policies 1-3

See accompanying notes to the consolidated financial statements 4 to 45

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration no. 101248W / W-100022

For and on behalf of the Board of Directors

Kaushal Kishore
Partner
Membership No.: 090075

Arun Bharat Ram
Chairman
DIN - 00694766

Ashish Bharat Ram
Managing Director
DIN - 00671567

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557

Rahul Jain
President & CFO

Lakshman Lakshminarayan
Director
DIN - 00012554

Rajat Lakhanpal
Vice President
(Corporate Compliance) and
Company Secretary

Place : Gurugram
Date : May 13, 2019

Consolidated Cash Flow Statement

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	826.89	581.67
Adjustments for:		
Finance costs	201.60	123.89
Interest Income	(4.49)	(3.86)
Net gain on sale / discarding of property, plant and equipment	-	(0.58)
Net gain on financial assets measured at fair value through profit and loss	(11.93)	(9.95)
Credit impaired assets provided / written off	2.23	3.02
Amortisation of grant income	(0.78)	(6.38)
Depreciation and amortisation expense	366.87	315.80
Property, plant and equipment and inventory discarded	1.95	6.48
Provision / liabilities no longer required written back	(11.00)	(26.98)
Amotisation of upfront payment for leasehold land	1.48	1.85
Net unrealised currency exchange fluctuations loss /(gain)	(11.06)	1.51
Employee share based payment expense	0.64	-
Adjustments for (increase) /decrease in operating assets :-		
Trade receivables	(350.33)	(25.67)
Inventories	(267.34)	(120.73)
Loans (current)	3.28	(1.99)
Loans (non-current)	(3.32)	11.51
Other assets (current)	(32.81)	(264.02)
Other assets (non-current)	(22.35)	(22.39)
Adjustments for increase / (decrease) in operating liabilities :-		
Trade payables	338.18	235.34
Provisions	17.09	2.04
Other liabilities (non-current)	(14.95)	10.72
Other liabilities (current)	16.02	(15.66)
Cash generated from operations	**1,045.87**	**795.62**
Income taxes paid (net of refunds)	(150.23)	(117.64)
Net cash generated by operating activities	**895.64**	**677.98**
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase of mutual funds	(785.43)	(530.00)
Proceeds from sale of mutual funds	818.58	614.02
Interest received	4.49	4.78
Bank balances not considered as cash and cash equivalents	0.82	(1.24)
Payment for purchase of property, plant, equipment, capital work-in-progress and intangible assets	(1,056.38)	(1,300.18)
Proceeds from disposal of property, plant and equipment	3.74	17.32
Net cash used in investing activities	**(1,014.18)**	**(1,195.30)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	0.06	-
Proceeds from long term borrowings	1,182.25	841.21
Repayment of long term borrowings	(914.51)	(431.72)
Net proceeds / (repayment) from short term borrowings	285.67	298.45
Dividends on equity share capital paid	(69.41)	(68.90)
Corporate dividend tax paid	(14.19)	(14.03)
Finance costs paid	(224.10)	(129.87)
Net cash generated by financing activities	**245.77**	**495.14**

Consolidated Cash Flow Statement (Contd.)

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
D EFFECT OF EXCHANGE RATE CHANGES	**(24.69)**	**21.56**
Net movement in cash and cash equivalents	**102.54**	**(0.62)**
Cash and cash equivalents at the beginning of the year	87.01	87.63
Cash and cash equivalents at the end of the year (Refer to note 14)	**189.55**	**87.01**

Notes:

(i) The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) -7 on "Statement of Cash Flows"

(ii) During the year, the Company paid in cash ₹ 10.38 Crores (Previous year: ₹ 5.00 Crores) towards corporate social responsibility (CSR) expenditure.

(iii) The following table disclose below changes in liabilities arising from historical activities including both cash and non cash changes.

Particulars	As at March 31, 2018	Cash flow from financing activities	Non-cash changes				As at March 31, 2019
			Upfront fees amortised	Exchange fluctuation changes #	Finance cost #	Interim dividend declared ^	
Equity share capital	58.44	0.06	-	-	-	-	58.50
Long-term borrowings*	2,291.05	267.74	3.87	40.13	-	-	2,602.80
Short-term borrowings	850.78	285.67	-	(9.06)	-	-	1,127.39
Interest accrued	25.08	(224.10)	-	-	230.57	-	31.54
Dividend and taxes thereon	6.32	(83.60)	-	-		83.17	5.89
Total	**3,231.67**	**245.77**	**3.87**	**31.07**	**230.57**	**83.17**	**3,826.12**

Particulars	As at March 31, 2017	Cash flow from financing activities	Non-cash changes				As at March 31, 2018
			Upfront fees amortised	Exchange fluctuation changes #	Finance cost #	Interim dividend declared ^	
Long-term borrowings*	1,850.63	409.49	3.80	27.13	-	-	2,291.05
Short-term borrowings	545.57	298.45	-	6.76	-	-	850.78
Interest accrued	8.86	(129.87)	-	-	146.09	-	25.08
Dividend and taxes thereon	6.32	(82.93)	-	-	-	82.93	6.32
Total	**2,411.38**	**495.14**	**3.80**	**33.89**	**146.09**	**82.93**	**3,173.23**

* including current maturity of long term debts
^ including taxes on dividend
# including amount capitalised

Summary of significant accounting policies 1-3
See accompanying notes to the consolidated financial statements 4 to 45

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration no. 101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
DIN - 00694766

Ashish Bharat Ram
Managing Director
DIN - 00671567

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557

Rahul Jain
President & CFO

Lakshman Lakshminarayan
Director
DIN - 00012554

Rajat Lakhanpal
Vice President
(Corporate Compliance) and
Company Secretary

Place : Gurugram
Date : May 13, 2019

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at March 31, 2017	**58.44**
Changes in equity share capital during the year	-
Balance at March 31, 2018	**58.44**
Changes in equity share capital during the year	0.06
Balance at March 31, 2019	**58.50**

(b) Other Equity

	Reserves and Surplus*						Items of other comprehensive income*		
	Capital reserve	General reserve	Capital redemption reserve	Debenture redemption reserve	Employee share based payment reserve	Retained earnings	Foreign currency translation reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedge
Balance at March 31, 2017	**193.77**	**523.77**	**10.48**	**50.00**	**-**	**2,340.75**	**(0.87)**	**(4.22)**	**10.54**
Profit for the year	-	-	-	-	-	461.71	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(1.12)	21.56	-	(17.35)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**460.59**	**21.56**	**-**	**(17.35)**
Payment of dividend (₹ 12 per share)	-	-	-	-	-	(68.90)	-	-	-
Tax on Dividend	-	-	-	-	-	(14.03)	-	-	-
Transfer from Debenture redemption reserve		50.00		(50.00)	-				
Transfer to Debenture redemption reserve	-		-	75.00	-	(75.00)	-	-	-
Balance at March 31, 2018	**193.77**	**573.77**	**10.48**	**75.00**	**-**	**2,643.41**	**20.69**	**(4.22)**	**(6.81)**
Profit for the year	-	-	-	-	-	641.63	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(0.87)	(24.69)	-	31.20
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**640.76**	**(24.69)**	**-**	**31.20**
Payment of dividend (₹12 per share)	-	-	-	-	-	(68.98)	-	-	-
Tax on Dividend	-	-	-	-		(14.19)	-	-	-
Employee share based payments to employees	-	-	-	-	0.58	-	-	-	-
Balance at March 31, 2019	**193.77**	**573.77**	**10.48**	**75.00**	**0.58**	**3,201.00**	**(4.00)**	**(4.22)**	**24.39**

* Refer note 17

Summary of significant accounting policies 1-3

See accompanying notes to the consolidated financial statements 4 to 45

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration no. 101248W / W-100022

Kaushal Kishore
Partner
Membership No.: 090075

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
DIN - 00694766

Ashish Bharat Ram
Managing Director
DIN - 00671567

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557

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President & CFO

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Director
DIN - 00012554

Rajat Lakhanpal
Vice President
(Corporate Compliance) and
Company Secretary

Place : Gurugram
Date : May 13, 2019

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

1 Corporate Information

SRF Limited ("the Company") is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 . The Company's equity shares are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 and 237, Second Floor, Mayur Vihar Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110091. The Company's parent and ultimate holding group is KAMA Holdings Limited.

The principal activities of the Company and its subsidiaries (together the Group) are manufacturing, purchase and sale of technical textiles, chemicals, packaging films and other polymers.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 13, 2019.

2 Significant Accounting Policies

2.1 Basis of Preparation

These consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act")

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation
- Share based payments

The functional currency of the Company is 'INR' and its subsidiaries are their respective local currencies. The financial statements are presented in INR and all values are rounded to the nearest crores, except when otherwise indicated.

The consolidated financial statements incorporate the financial statements of the holding group and its subsidiaries. Control is achieved when the group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the group gains control until the date when the group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Necessary adjustments are made in the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies if any.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

The subsidiaries considered in the preparation of these consolidated financial statements are:

Name of subsidiary	Country of incorporation	Proportion of ownership as at March 31, 2019	Proportion of ownership as at March 31, 2018
Indian Subsidiaries			
SRF Holiday Home Limited	India	100%	100%
SRF Employees Welfare Trust	India	100%	-
Foreign Subsidiaries			
SRF Global BV	Netherlands	100%	100%
SRF Europe Kft (100% subsidiary of SRF Global BV)	Hungary	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%

The group owns 22.60% (Previous year – 22.60%) in Malanpur Captive Power Limited and the same has not been considered for the purposes of consolidation, since the group does not exercise significant influence over Malanpur Captive Power Limited.

The group owns 26.32% (Previous year – 26.32%) in Vaayu Renewable Energy (Tapti) Private Limited and the same has not been considered for the purposes of consolidation, since the group does not exercise significant influence over Vaayu Renewable Energy (Tapti) Private Limited.

The principal accounting policies are set out below.

2.2 Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the group has identified twelve months as its operating cycle for the purpose of current / non current classification of assets and liabilities.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

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.

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	30-60 years
Plant and machinery	2-30 years
Furniture and fixtures	15 years
Office equipment	3-20 years
Vehicles	4 years

Freehold land is not depreciated.

Depreciation is calculated on a pro rata basis except, assets costing upto ₹ 5,000 each, which are fully depreciated in the year of purchase.

An item of property, plant and equipment or any significant part initially recognised of such item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

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	10-30 years
Software	3 years
Other intangibles	2.5-10 years

The group has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

The Amortisation period and the Amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the Amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The Amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised on disposal or when no future economic benefit are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.6 Research and development expenditure

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes.

Such development costs are capitalised if they can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated Amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

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-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

generating units (or Groups of 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 calculations, which are prepared separately for each of the group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 5 years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after 5th year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously 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

Group as lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the group is classified as a finance lease.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating Leases as a lessee:

Lease rental expenses from operating leases is generally recognised on straight line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrues.Contigent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Finance leases as lessee:

Assets held under finance lease are initially recognised as assets at the fair value at the inception of lease or at the present value of the minimum lease payments, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the group's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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 for the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

Interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they occur.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

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.

(ii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016

Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance useful life of the assets.

(iii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016

The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is treated in accodance with Ind AS 21/ Ind AS 109.

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 and excise duty, wherever applicable

(c) By products - At estimated realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Provisions and Contingent Liabilities

Provisions

The group recognised a provision when there is a present obligation (legal or constructive) as a result of past events and it is more likely than not that an outflow of resources would be required to settle the obligation and a reliable estimate can be made.

When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

2.14 Revenue recognition

Effective April 1, 2018, the group adopted IND AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. There is no material effect on adoption of Ind AS 115 on the financial statements.

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 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'.

2.15 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

a) Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss account i.e. in Other comprehensive income or equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

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.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

in a previous period. Such a grant is recognised in profit or loss of the period in which it becomes receivable.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the group recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants related to assets are presented in the consolidated balance sheet as deferred income and is recognised in profit or loss on a systematic basis over the expected useful life of the related assets.

2.17 Employee benefits

Short term employee benefits

Wages and salaries including non monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the related services are rendered and 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.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the group are classified in three categories:

a) At amortised cost

b) At fair value through profit and loss (FVTPL)

c) At fair value through other comprehensive income (FVTOCI)

Financial asset is measured at amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR Amortisation is included in other income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets not classified as measured at amortised cost or FVOCI as are measured at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

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:

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a) The rights to receive cash flows from the asset have expired, or

b) The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the group has transferred substantially all the risks and rewards of the asset, or (ii) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of financial assets

The group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

B) Financial liabilities and Equity instruments

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

The group's financial liabilities include borrowings and trade and other payables including derivative financial instruments.

Subsequent measurement

Borrowings

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds(net of transaction cost) and the redemption/repayment amount is recognised in profit and loss over the period of the borrowings using the Effective interest rate method.

Trade and other payables

Trade and other payables represent the liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Equity Instruments

Equity Instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Debt or equity instruments issued by the group are classified as either financial liability or as equity in accordance with the substance of contractual arrangements and the definitions of a financial liabilities and an equity instruments.

2.21 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The group uses derivative financial instruments (such as forward currency contracts, interest rate swaps) or non derivative financial assets/ liabilities to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit and loss when the hedge item affects profit and loss.

For the purpose of hedge accounting, hedges are classified as:

a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.

b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the group formally designates and documents the hedge relationship to which the group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the consolidated statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in consolidated profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

The group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the consolidated statement of profit and loss.

The group also designates certain non derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for the hedge of foreign currency risk associated with highly probable transactions and, accordingly, applies cash flow hedge accounting for such relationships.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in other comprehensive income remains separately in other equity until the forecast transaction occurs or the foreign currency firm commitment is met.

2.22 Fair value measurement

The group measures some of its financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

b) Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

c) Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.23 Foreign Currency translation reserve

On consolidation, the assets and liabilities of foreign operations are translated into Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

2.24 Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

2.25 Dividend

The group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.26 Applicability of new and revised Ind AS

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian

Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the group has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases (Ind AS 17) and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises present value of the lease payment (discounted using incremental borrowing rate) as right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments and lease rent expense will be replaced with the Amortisation of right-of use-asset and interest accrued on lease liability. The standard also contains enhanced disclosure requirements for lessees and will have consequential impact on cash flows categories as well.

The group will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019 using the modified retrospective approach and elected to measure the right-of -use assets at an amount equal to the lease liability as at the date of initial application.

The group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

Ind AS 12 – Income taxes

(amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The group does not expect any impact from this pronouncement.

Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under relevant tax laws. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The group is in the process of evaluating the impact on its financial statements.

Ind AS 109 – Financial instrument

(Prepayment Features with Negative Compensation)

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The group does not expect this amendment to have any impact on its consolidated financial statements.

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Ind AS 19 – Employee benefits

(Plan Amendment, Curtailment or Settlement)

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The group does not expect this amendment to have any significant impact on its consolidated financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of this amendment on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

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.

Judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes.

- Leasing arrangement (classification and accounting) – Note 2.9
- Financial instruments – Note 2.20
- Fair value measurement – Note 2.22
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.4
- Recognition and estimation of tax expense including deferred tax – Note 2.15
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 2.17
- Estimated impairment of financial assets and non-financial assets – Note 2.20 and Note 2.8
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 2.13

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4 Property, Plant and Equipment and Capital Work-In-Progress

Carrying amount of:	As at March 31, 2019	As at March 31, 2018
Freehold land	357.91	358.64
Roads	58.13	56.52
Buildings	752.38	724.76
Plant and equipment	4,258.08	3,798.19
Furniture and fixtures	18.23	19.04
Office equipment	29.57	25.12
Vehicle	22.15	22.51
	5,496.45	**5,004.78**
Capital work-in-progress	**753.61**	**558.81**

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Cost								
Balance at March 31,2017	354.67	55.66	710.12	3,636.02	22.11	34.93	27.49	**4,841.00**
Additions/adjustments	-	4.16	63.80	835.85	3.30	10.99	13.70	**931.80**
Disposals/adjustments	(0.26)	(0.22)	(1.73)	(41.27)	(0.06)	(0.60)	(5.00)	**(49.14)**
Effect of foreign currency exchange differences	4.23	1.22	19.30	75.33	0.40	0.57	0.05	**101.10**
Balance at March 31,2018	**358.64**	**60.82**	**791.49**	**4,505.93**	**25.75**	**45.89**	**36.24**	**5,824.76**
Additions/adjustments	-	3.87	61.25	803.83	2.20	13.61	8.91	**893.67**
Disposals/adjustments	-	-	(0.05)	(4.89)	(0.50)	(1.08)	(5.24)	**(11.76)**
Effect of foreign currency exchange differences	(0.73)	(0.70)	(8.02)	(33.57)	(0.18)	(0.21)	0.03	**(43.38)**
Balance at March 31,2019	**357.91**	**63.99**	**844.67**	**5,271.30**	**27.27**	**58.21**	**39.94**	**6,663.29**
Accumulated depreciation								
Balance at March 31,2017	-	2.75	41.70	450.33	4.00	12.60	10.39	**521.77**
Depreciation expenses	-	1.46	23.34	259.91	2.61	7.94	6.52	**301.78**
Disposals/adjustments	-	(0.01)	(0.03)	(12.72)	(0.02)	(0.13)	(3.19)	**(16.10)**
Effect of foreign currency exchange differences	-	0.10	1.71	10.22	0.13	0.37	0.02	**12.55**
Balance at March 31,2018	**-**	**4.30**	**66.72**	**707.74**	**6.72**	**20.78**	**13.74**	**820.00**
Depreciation expenses	-	1.59	26.08	310.90	2.44	8.85	7.32	**357.18**
Disposals/adjustments	-	-	(0.02)	(2.70)	(0.09)	(0.79)	(3.28)	**(6.88)**
Effect of foreign currency exchange differences	-	(0.03)	(0.50)	(2.71)	(0.03)	(0.20)	0.01	**(3.46)**
Balance at March 31,2019	**-**	**5.86**	**92.28**	**1,013.23**	**9.04**	**28.64**	**17.79**	**1,166.84**
Carrying amount								
Balance at March 31,2017	354.67	52.91	668.41	3,185.69	18.12	22.34	17.11	**4,319.25**
Additions/adjustments	-	4.16	63.80	835.85	3.30	10.99	13.70	**931.80**
Disposals/adjustments	(0.26)	(0.21)	(1.70)	(28.55)	(0.04)	(0.47)	(1.81)	**(33.04)**
Depreciation expenses	-	(1.46)	(23.34)	(259.91)	(2.61)	(7.94)	(6.52)	**(301.78)**
Effects of foreign currency exchange differences	4.23	1.12	17.59	65.11	0.27	0.20	0.03	**88.55**
Balance at March 31,2018	**358.64**	**56.52**	**724.76**	**3,798.19**	**19.04**	**25.12**	**22.51**	**5,004.78**
Additions/adjustments	-	3.87	61.25	803.83	2.20	13.61	8.91	**893.67**
Disposals/adjustments	-	(0.01)	(0.03)	(2.18)	(0.41)	(0.29)	(1.96)	**(4.88)**
Depreciation expenses	-	(1.59)	(26.08)	(310.90)	(2.44)	(8.85)	(7.32)	**(357.18)**
Effects of foreign currency exchange differences	(0.73)	(0.66)	(7.52)	(30.86)	(0.16)	(0.02)	0.01	**(39.94)**
Balance at March 31,2019	**357.91**	**58.13**	**752.38**	**4,258.08**	**18.23**	**29.57**	**22.15**	**5,496.45**

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Notes:

(i) Borrowing cost capitalised during the year ₹ 32.83 Crores (Previous year: ₹ 31.25 Crores) with a capitalisation rate ranging from 4.36% to 8.80% (Previous year: 7.24% to 8.59%)

(ii) Conveyancing of buildings and other superstructures located at group's plant at Malanpur, in the state of Madhya Pradesh including immovable machinery is linked to the Stamp duty litigation against the Company (Refer note 33 (a)).

(iii) Out of the Industrial Freehold land measuring 32.41 acres at the group's plant in Gummidipoondi, the group does not have clear title to 2.43 acres.

(iv) Capital expenditure incurred during the year includes ₹ 4.06 Crores (Previous year - ₹ 16.03 Crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 45 (a) below.

(v) Refer to note 18.1 for information on PPE pledged as security by the group.

(vi) Refer to note 45 (c) for additions/adjustments on account of exchange difference during the year.

(vii) The Company has got a possession letter in respect of its registered office building located at Mayur Vihar, New Delhi. However, execution of the conveyance deed in name of the Company is under process.

(viii) The group accounts for all capitalization of property, plant and equipment through capital work in progress and therefore the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted in additions to property, plant and equipment and intangible assets.

5 Goodwill

	As at March 31, 2019	As at March 31, 2018
Cost	4.91	4.91
Accumulated impairment losses	(0.83)	(0.83)
	4.08	**4.08**

Cost	**Amount**
Balance at March 31,2017	4.91
Additions	-
Disposals	-
Balance at March 31, 2018	**4.91**
Additions	-
Disposals	-
Balance at March 31, 2019	**4.91**
Accumulated impairment losses	
Balance at March 31,2017	-
Additions	0.83
Disposals	-
Balance at March 31, 2018	**0.83**
Additions	-
Disposals	-
Balance at March 31, 2019	**0.83**

	As at March 31, 2019	As at March 31, 2018
SRF Industries Thailand Limited (Technical textile unit)	2.67	2.67
Engineering plastics units	0.79	0.79
Industrial yarn unit	0.62	0.62
	4.08	**4.08**

The group has allocated goodwill to the above mentioned cash generating units and determined recoverable amount of this allocated goodwill using cash flow projections based on financial budget as approved by the directors of the Company.

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Basis on the above impairment testing, no impairment losses have been recognised in current year (Previous year : Nil)

6 Other Intangible Assets

	As at March 31, 2019	As at March 31, 2018
Trade Marks/Brands	63.05	64.22
Technical Knowhow	40.44	40.82
Software	4.47	7.35
Others	0.90	0.34
	108.86	**112.73**

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at March 31,2017	75.21	2.98	20.20	18.74	117.13
Additions / adjustments*	0.04	41.55	4.42	-	46.01
Disposals/adjustments	-	-	(0.08)	-	(0.08)
Balance at March 31, 2018	**75.25**	**44.53**	**24.54**	**18.74**	**163.06**
Additions / adjustments*	1.95	1.14	2.17	0.56	5.82
Disposals/adjustments	-	-	-	-	-
Balance at March 31, 2019	**77.20**	**45.67**	**26.71**	**19.30**	**168.88**
Accumulated amortisation					
Balance at March 31,2017	7.62	2.14	12.37	14.25	36.38
Amortisation expenses	3.41	1.57	4.89	4.15	14.02
Disposals/adjustments	-	-	(0.07)	-	(0.07)
Balance at March 31, 2018	**11.03**	**3.71**	**17.19**	**18.40**	**50.33**
Amortisation expenses	3.12	1.52	5.05	-	9.69
Disposals/adjustments	-	-	-	-	-
Balance at March 31, 2019	**14.15**	**5.23**	**22.24**	**18.40**	**60.02**
Carrying Amount					
Balance at March 31,2017	67.59	0.84	7.83	4.49	80.75
Additions / adjustments*	0.04	41.55	4.42	-	46.01
Disposals/adjustments	-	-	(0.01)	-	(0.01)
Amortisation expenses	(3.41)	(1.57)	(4.89)	(4.15)	(14.02)
Balance at March 31, 2018	**64.22**	**40.82**	**7.35**	**0.34**	**112.73**
Additions / adjustments*	1.95	1.14	2.17	0.56	5.82
Disposals/adjustments	-	-	-	-	-
Amortisation expenses	(3.12)	(1.52)	(5.05)	-	(9.69)
Balance at March 31, 2019	**63.05**	**40.44**	**4.47**	**0.90**	**108.86**

*Refer note 45 (c) for additions/adjustments on account of exchange difference during the year.

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7 Investments

	As at March 31, 2019	As at March 31, 2018
Non-current		
Investment in equity instruments	0.11	0.12
	0.11	**0.12**
Aggregate book value of unquoted investments	0.11	0.12
Aggregate amount of impairment in value of investments	4.34	4.34
Current		
Investment in mutual funds	100.49	94.07
Other investments	-	27.63
	100.49	**121.70**
Aggregate book value and market value of unquoted investments	100.49	121.70

7.1 Investment in equity instruments (at fair value through other comprehensive income)

	As at March 31, 2019		As at March 31, 2018	
	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	4,000	0.06	4,000	0.06
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	6,70,000	0.12	6,70,000	0.12
Less: impairment in value of investments	-	(0.12)	-	(0.12)
Equity shares of ₹ 0.19 each fully paid up of OPGS Power Gujarat Private Limited*	-	-	4,75,000	0.01
		0.11		**0.12**

* Disposed off at carrying value during the year as it is not economically viable to continue power purchase

7.2 Investment in mutual funds (at fair value through profit and loss)

	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Unquoted investments (Current)				
ICICI Prudential P1543 Saving Fund-Growth Plan	36,12,365	100.49	36,12,365	94.07
		100.49		**94.07**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

7.3 Other investments (at fair value through profit and loss)

	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Unquoted investments (Current)				
Non convertible debentures of ₹1,00,000 each of Reliance Capital Limited	-	-	2,500.00	27.63
		-		**27.63**

8 Loans

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Non- current		
Loans to employees	7.25	6.97
Security deposits (Refer note 35)	26.80	23.76
Others		
Credit impaired	0.07	0.15
Less : Provision for credit impaired loans	(0.07)	(0.15)
	34.05	**30.73**
Current		
Loans to employees	6.38	5.81
Security deposits (Refer note 35)	4.80	8.64
Others		
Credit impaired	2.74	2.74
Less : Provision for credit impaired loans	(2.74)	(2.74)
	11.18	**14.45**

9 Deferred Tax (Net)

The following is the analysis of deferred tax assets (liabilities) presented in balance sheet.

	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	380.47	296.26
Deferred tax liabilities	(722.45)	(587.64)
Deferred tax liabilities, net	**(341.98)**	**(291.38)**

The major components of deferred tax assets/(liabilities) arising on account of temporary differences are as follows:

2018-19	Opening balance	Recognised in profit and loss account	Recognised in other comprehensive income	FCTR for the year	Closing Balance
Deferred tax assets					
Expenses deductible in future years	14.18	0.54	-	(0.06)	14.66
Provision for doubtful debts / advances	0.77	0.04	-	(0.01)	0.80
MAT Credit Entitlement	243.23	87.11	-	-	330.34

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

2018-19	**Opening balance**	**Recognised in profit and loss account**	**Recognised in other comprehensive income**	**FCTR for the year**	**Closing Balance**
Unabsorbed carried forward losses	17.96	(5.15)	-	(2.19)	10.62
Others	20.12	6.52	-	(2.59)	24.05
	296.26	89.06	-	(4.85)	380.47
Deferred tax liabilities					
Property plant and equipment and intangible assets	(584.25)	(123.84)	-	10.32	(697.77)
Investment in mutual funds	(6.00)	(2.24)	-	-	(8.24)
Cash flow hedges	3.76	-	(19.05)	-	(15.29)
Others	(1.15)	-	-	-	(1.15)
	(587.64)	(126.08)	(19.05)	10.32	(722.45)
Total	**(291.38)**	**(37.02)**	**(19.05)**	**5.47**	**(341.98)**

2017-18	**Opening balance**	**Recognised in profit and loss account**	**Recognised in other comprehensive income**	**FCTR for the year**	**Closing Balance**
Deferred tax assets					
Expenses deductible in future years	14.14	-	-	0.04	14.18
Provision for doubtful debts / advances	2.48	(1.82)	-	0.11	0.77
MAT Credit Entitlement	154.32	88.91	-	-	243.23
Unabsorbed carried forward losses	32.30	(16.70)	-	2.36	17.96
Others	19.62	(1.49)	-	1.99	20.12
	222.86	68.90	-	4.50	296.26
Deferred tax liabilities					
Property plant and equipment and intangible assets	(495.45)	(80.49)	-	(8.31)	(584.25)
Investment in mutual funds	(4.77)	(1.23)	-	-	(6.00)
Cash flow hedges	(5.57)	-	9.33	-	3.76
Others	(1.07)	(0.08)	-	-	(1.15)
	(506.86)	(81.80)	9.33	(8.31)	(587.64)
Total	**(284.00)**	**(12.90)**	**9.33**	**(3.81)**	**(291.38)**

Notes:

a) At March 31, 2019, there was no recognised deferred tax liability (Previous year : Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries. The Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

b) There are capital losses of ₹ 283.57 Crores (Previous year : ₹ 277.45 Crores) on which no deferred tax asset has been created due to lack of probability of future capital gains against which such deferred tax assets can be realised. These capital losses would expire upto financial year ending March 31, 2023.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

10 Other Financial Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Non Current		
Derivatives carried at fair value through Other comprehensive income		
- Forward exchange contracts used for hedging	1.87	-
- Interest rate swaps used for hedging	2.84	5.50
	4.71	**5.50**
Current		
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	3.42	1.44
Derivatives carried at fair value through Other comprehensive income		
- Forward exchange contracts used for hedging	25.26	4.55
- Interest rate swaps used for hedging	0.88	1.55
Other financial assets carried at amortised cost		
- Unbilled revenue	25.52	-
- Insurance claim recoverable	17.22	31.34
- Government grant and claims recoverable	126.79	100.76
- Others	1.29	3.25
	200.38	**142.89**

11 Other Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Non-Current		
Capital advances	132.27	61.83
Prepaid expenses	0.50	0.04
Cenvat/Service tax/Goods and Services Tax/ sales tax recoverable	10.79	29.40
Prepaid lease*	134.04	94.37
Claims recoverable under Post EPCG scheme and others	17.14	17.02
Total other non-current assets	**294.74**	**202.66**
Current		
Prepaid expenses	15.80	12.39
Cenvat/Service tax/ Goods and Services Tax/ sales tax recoverable	290.46	272.01
Export incentives recoverable	42.40	34.65
Deposits with customs and excise authorities	12.62	7.04
Advance to suppliers	43.35	82.56
Prepaid lease*	1.73	1.28
Others	1.51	1.35
Total other current assets	**407.87**	**411.28**

*The execution of lease deed of land in respect of 1,081,250 sq. mtrs. (Previous year : 919,370 sq. mtrs) of leasehold land allotted to the group by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

12 Inventories

(Valued at lower of cost and net realisable value)

	As at March 31, 2019	As at March 31, 2018
Raw material (including packing material)	608.11	481.95
Stock in progress	147.60	110.97
Finished goods	225.86	194.96
Stores and spares (including fuel)	238.17	166.29
Traded goods	5.00	4.01
	1,224.74	**958.18**
Goods-in-transit, included above :		
Raw material (including packing material)	214.29	174.61
Stock in progress	0.09	0.08
Finished goods	48.78	31.20
Stores and spares (including fuel)	1.41	0.05
Traded goods	2.08	2.33
	266.65	**208.27**

Notes

(i) The cost of inventories recognised as an expense includes ₹ 4.43 Crores (Previous year : ₹ 1.87 Crores) in respect of write-downs of inventory to net relisable value.

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

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

13 Trade Receivables

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	1,028.75	680.65
Unsecured, credit impaired	2.49	15.83
Less: Provision for credit impaired receivables	(2.49)	(15.83)
	1,028.75	**680.65**

Notes

(i) The credit period generally allowed on sales varies, on a case to case basis, business to business and based on market conditions. Maximum credit period allowed is upto 120 days

(ii) Age of receivables :

	As at March 31, 2019	As at March 31, 2018
Within the credit period	846.36	512.80
1 to 180 days past due	179.21	166.47
More than 180 days past due	5.67	17.21
	1,031.24	**696.48**

(iii) The group has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the group in the receivables as identified. Receivables sold as on March 31, 2019 are of ₹ 315.41 Crores (Previous year: ₹ 437.72 Crores). The group has derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the group.

(iv) There are no major customer who represent more than 10% of the total balances of trade receivables.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

14 Cash and Cash Equivalents

	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
Current accounts	129.66	52.97
Savings account	0.29	9.82
Exchange Earners Foreign Currency (EEFC) accounts	48.49	23.68
Deposit accounts with maturity of three months or less	10.56	-
Cash on hand	0.55	0.54
	189.55	**87.01**

The disclosures regarding details of specified bank notes held and transacted during the period November 8, 2016 to December 30, 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2019.

15 Bank Balances Other than Above

	As at March 31, 2019	As at March 31, 2018
Earmarked balances		
- Margin money	3.44	3.41
- Unclaimed dividend accounts	5.89	6.32
	9.33	**9.73**

16 Share Capital

	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
120,000,000 (Previous Year - 120,000,000) Equity shares of ₹ 10 each	120.00	120.00
1,000,000 (Previous Year - 1,000,000) Preference shares of ₹ 100 each	10.00	10.00
1,200,000 (Previous Year - 1,200,000) Cumulative Preferences shares of ₹ 50 each	6.00	6.00
20,000,000 (Previous Year - 20,000,000) Cumulative Preferences shares of ₹ 100 each	200.00	200.00
	336.00	**336.00**
Issued capital:		
61,537,255 (Previous Year - 61,477,255) Equity Shares of ₹ 10 each	**61.54**	**61.48**
Subscribed capital:		
57,480,500 (Previous Year - 57,420,500) Equity Shares of ₹ 10 each fully paid up	57.48	57.42
Add: Forfeited shares - Amount originally paid up	1.02	1.02
	58.50	**58.44**

16.1 Fully paid equity shares

	Number of shares	Amount
Balance at March 31, 2017	**5,74,20,500**	**57.42**
Add / Less: Movement during the year	-	-
Balance at March 31, 2018	**5,74,20,500**	**57.42**
Add / Less: Movement during the year (Refer note 37)	60,000	0.06
Balance at March 31, 2019	**5,74,80,500**	**57.48**

The Company has bought back Nil equity shares in aggregate in the last five financial years.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Terms/ rights attached to equity shares

'The parent has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board may from time to time pay to the members, such interim dividends as appear to it to be justified by the profits of the group.

During the year ended March 31, 2019, the amount of interim dividend recognised as distributions to equity shareholders was ₹ 12 per share (Previous year : ₹ 12 per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.2 Details of shares held by the holding company

	Number of fully paid ordinary shares
As at March 31, 2019	
KAMA Holdings Limited, the Holding group	3,00,49,000
As at March 31, 2018	
KAMA Holdings Limited, the Holding group	3,00,49,000

16.3 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid equity shares				
KAMA Holdings Limited	3,00,49,000	52.28%	3,00,49,000	52.33%
Amansa Holding Private Limited	44,42,241	7.73%	44,42,241	7.74%
DSP Blackrock Mutual fund (through various schemes)	14,64,840	2.55%	29,51,511	5.14%

17 Other Equity

	As at March 31, 2019	As at March 31, 2018
General reserve	573.77	573.77
Retained earnings	3,201.00	2,643.41
Cash flow hedging reserve	24.39	(6.81)
Capital redemption reserve	10.48	10.48
Capital reserve	193.77	193.77
Debenture redemption reserve	75.00	75.00
Foreign currency translation reserve	(4.00)	20.69
Reserve for equity instruments through other comprehensive income	(4.22)	(4.22)
Employee share based payment reserve	0.58	-
	4,070.77	**3,506.09**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

17.1 General reserve

	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	573.77	523.77
Transfer from Debenture redemption reserve	-	50.00
Balance at end of year	573.77	573.77

The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. Items included in general reserve will not be reclassified subsequently to profit and loss.

17.2 Retained earnings

	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	2,643.41	2,340.75
Profit for the year	641.63	461.71
Other comprehensive income arising from measurement of defined benefit obligation*	(0.87)	(1.12)
Payments of dividend on equity shares	(68.98)	(68.90)
Corporate tax on dividend	(14.19)	(14.03)
Transfer to debenture redemption reserve	-	(75.00)
Balance at end of year	**3,201.00**	**2,643.41**

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 and also considering the requirements of the Companies Act, 2013.The amounts reported above are not distributable in entirety.

*net of income tax of ₹ 0.62 Crore (Previous year : ₹ 0.29 Crores)

17.3 Cash flow hedging reserve

	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	(6.81)	10.54
Recognized/(reclassed) during the year	50.25	(26.68)
Income tax related to above	(19.05)	9.33
Balance at end of year	**24.39**	**(6.81)**

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

17.4 Capital redemption reserve

	As at March 31, 2019	As at March 31, 2018
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.

17.5 Capital reserve

	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	193.77	193.77
Increase/(decrease) during the year	-	-
Balance at end of year	**193.77**	**193.77**

Capital reserve represents amounts received pursuant to Montreal Protocol Phase-out Programme of refrigerant gases.

17.6 Debenture redemption reserve

	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	75.00	50.00
Transfer to general reserve	-	(50.00)
Transfer from retained earnings	-	75.00
Balance at end of year	**75.00**	**75.00**

The group has issued non-convertible debentures and as per the provisions of the Act, it is required to create debenture redemption reserve out of the profits available for payment of dividend.

17.7 Reserve for equity instruments through other comprehensive income

	As at March 31, 2019	As at March 31, 2018
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.

17.8 Foreign Currency Translation Reserve

	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	20.69	(0.87)
Exchange differences arising on translation of foreign operations	(24.69)	21.56
Balance at end of year	**(4.00)**	**20.69**

Exchange differences relating to translation of the results and net assets of the group's foreign operations from their functional currency in to group presentation currency (i.e. ₹) are recognized in Other Comprehensive Income and accumulated in foreign currency translation reserve. Exchange differences previously accumulated in foreign currency translation reserve in respect of foreign operations are reclassified to statement of profit and loss on disposal of foreign operation.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

17.9 Employee share based payment reserve

	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	-	-
Increase/(decrease) during the year	0.58	-
Balance at end of year	**0.58**	**-**

The group has allotted equity shares to certain employees under an employee share purchase scheme. The share based payment reserve is used to recognise the value of equity-settled share based payments provided to the such employees as part of their remuneration. Refer note 37 for further details of the scheme.

18 Borrowings

	As at March 31, 2019	As at March 31, 2018
Non-current		
Secured		
3,000 Nos., 7.33% (2018: 3000 Nos. 7.33%), listed, secured redeemable non-convertible debentures of ₹ 10 lakhs each* (Refer note 18.1.1)	299.95	299.75
Term Loans from banks* (Refer note 18.1.2)	1,522.05	1,505.15
Term Loans from others*(Refer note 18.1.3)	369.65	473.42
Less: Current maturities of long term borrowings *(Refer note 21)	(441.46)	(383.80)
	1,750.19	**1,894.52**
Unsecured		
Deferred payment liabilities	**-**	**12.74**
Term Loans from Banks *	411.15	-
	411.15	**12.74**
	2,161.34	**1,907.26**
*Above amount of borrowings are net of upfront fees paid ₹ 8.29 Crores (Previous year : ₹ 9.87 Crores)		
Current		
Secured		
Cash credits from banks (Refer note 18.1.4.(i))	0.36	94.99
Term loans from banks (Refer note 18.1.4.(ii))	335.00	104.75
	335.36	**199.74**
Unsecured		
Cash credits from banks	6.93	29.98
Term loans from banks#	785.10	621.06
	792.03	**651.04**
	1,127.39	**850.78**

*Above amount of borrowings are net of upfront fees paid ₹ 8.29 Crores (Previous year : ₹ 9.87 Crores)

Includes ₹ 400.00 Crores (Previous year : ₹ 100.00 Crores) for Commercial Paper issued by the Company. The maximum amount due during the year is ₹ 400.00 Crores (Previous year : ₹ 300.00 Crores)

There has been no breach of covenants mentioned in the loan agreements during the reporting periods.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

18.1 Details of security of the secured loans:

	Details of Loan	As at March 31, 2019#	As at March 31, 2018#	Security
1	3,000 (Previous Year 3000), 7.33%, Listed, Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each *	300.00	300.00	Debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai 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, Pantnagar, Kashipur in the State of Uttarakhand and Dahej in the State of Gujarat (excluding certain assets) and an equitable mortgage of the Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.
	Terms and conditions			
	a) Redeemable at face value in one single installment at the end of 3rd year from the date of allotment.			
	b) Coupon is payable annually on 30th June every year.			
				Moveable property
2	(i) Term loan from Banks *	1494.21	1192.84	(a)(i) Out of the loans included in 2(i), loans aggregating to ₹ 1,321.47 Crores (Previous Year – ₹ 1,029.95 Crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai 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, Pantnagar in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets).
				(a)(ii) Out of the loans included in 2(i), loans aggregating to ₹ 172.74 Crores (Previous year – ₹ Nil Crores) is in the process of being secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai 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, Pantnagar in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets).
				Out of the loan included in 2(i)(a)(i) above, loan amounting to ₹ Nil Crores (Previous year – ₹ 162.89 Crores) is in the process of being additionally secured by hypothecation of Company's moveable properties both present and future, at Dahej in the State of Gujarat (save and except certain assets).
				Immoveable property
				(b)(i) Out of the loans included in 2(i) above, loans aggregating to ₹ 928.73 Crores (Previous year – ₹ 1,192.84 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. (Refer footnote 1, 2, 3 and 4)

(All amounts in ₹ Crores, unless otherwise stated)

	Details of Loan	As at March 31, 2019#	As at March 31, 2018#	Security
				(b)(ii) Out of loans included in 2(i) above, ₹ 565.48 Crores (Previous year - ₹ Nil Crores) is in the process of being additionally secured secured by equitable mortgage of immoveable properties at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.
				Footnote:
				1. Loans of ₹ 46.50 Crores (Previous year – ₹ 48.50 Crores) included in 2(i)(b)(i) above, is in the process of being additionally secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
				2. Loans aggregating to ₹ 882.23 Crores, (Previous year – ₹ 1,144.34 Crores) included in 2(i)(b)(i) above, are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
				3. Loans aggregating to ₹ 170.87 Crores (Previous year – ₹ 426.06 Crores) included in 2(i)(b)(i) above, are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).
				4. Loans of ₹ Nil Crores (Previous year – ₹ 36.32 Crores) included in 2(i)(b)(i) above, are in the process of being additionally secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Gummidipoondi (leasehold land) in the State of Tamil Nadu, Special Economic Zone, Indore in the State of Madhya Pradesh and at Pantnagar in the state of Uttarakhand.
	(ii) Term loans from Banks	-	260.62	Term loan in of USD Nil (Previous year- USD 40 million) is secured by a standby documentary credit of USD 40.50 million issued by The HongKong & Shanghai Banking Corporation Limited, India which is to be secured by an equitable mortgage of the immoveable properties of the Company in Manali in the State of Tamil Nadu.
	(iii) Term loans from banks	34.55	58.63	Term loans from banks aggregating to ₹ 34.55 Crores (Previous year – ₹ 58.63 Crores) are secured by hypothecation of Company's certain moveable assets situated at Dahej in the State of Gujarat.
3	(i) Term loan from others	41.83	98.19	Term loan availed from International Finance Corporation, Washington is secured by pledge of that machineries and by mortgage on land and building of SRF Industries (Thailand) Limited.
	(ii) Term loans from Others	89.82	117.28	Term loan availed from International Finance Corporation, Washington is secured by continuing coverage mortgage bond over the land and general notarial bond over the property of in SRF Flexipak (South Africa) (Pty) Limited.
	(iii) Term loans from others	239.54	260.62	Loan of ₹ 239.54 Crores (Previous Year – ₹ 260.62 Crores) is secured by the hypothecation and equitable mortgage of the Company's moveable and immoveable properties at Dhar in the State of Madhya Pradesh.
4	(i) Cash credit/working capital demand loans	0.36	94.99	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh, Kashipur and Pantnagar in the State of Uttarakhand.
	(ii) Term loan from banks	335.00	104.75	

* Hypothecation and equitable mortgage rank pari-passu between term loans from banks / other

\# Gross of upfront fees paid ₹ 8.29 Crores (Previous year - ₹ 9.87 Crores)

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for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

18.2 Terms of loans

As at March 31, 2019

Non Current Borrowings

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2020	Up to March 31, 2021	Up to March 31, 2022	From 2022 to 2026
Redeemable Non-Convertible Debentures	Redeemable at face value in one instalment at the end of third year	7.33%	-	300.00	-	-
Rupee term loans	Half yearly instalment	8.80% to 11.45%	4.97	5.00	6.00	32.50
	Quarterly Instalment	8.42%	25.05	49.80	49.80	24.90
	Yearly payments	8.60% to 8.90%	8.00	106.00	104.00	2.00
Foreign currency term loans	Quarterly	Fixed rate of 0.94% and floating rates of LIBOR plus spread ranging from 0.59% to 0.85%	-	162.89	217.18	353.31
	Half yearly instalments	Floating rate of LIBOR plus spread ranging from 1.30 % to 2.00%	247.56	140.48	57.57	129.01
	Bullet	Fixed rate of 0.05% to LIBOR plus spread ranging from of 1.03% to 1.30%	158.91	-	411.16	15.00
			444.49	**764.17**	**845.71**	**556.72**

Amounts mentioned above are gross of upfront fees paid of ₹ 8.29 crores

Current Borrowings

Short term borrowings are either payable in one installment within one year or repayable on demand. For short term borrowings in foreign currency, interest rates range from EURIBOR + 15 bps to EURIBOR + 18 bps and from LIBOR to LIBOR + 25 bps . For rupee denominated short term loans taken during the year interest rate is at 6.58% to 9.30%.

As at March 31, 2018

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2019	Up to March 31, 2020	Up to March 31, 2021	From 2021 to 2026
Redeemable Non-Convertible Debentures	Redeemable at face value in one instalment at the end of third year	7.33%	-	-	300.00	-
Rupee term loans	Half yearly instalments	8.60% to 11.00%	9.81	4.97	5.00	38.50
	Quarterly Instalments	7.05%	0.30	25.05	49.80	74.70
Foreign currency term loans	Quarterly instalments	0.94%	-	-	63.56	340.01
	Half yearly instalments	LIBOR plus spread ranging from 1.30 % to 1.85%	194.01	233.11	152.02	175.94
	One instalment a year	LIBOR plus spread 1.60%	32.58	-	-	-
	Bullet	Fixed rate of 0.05% and floating rate of LIBOR plus spread of 2.25%	149.86	162.89	260.62	15.00
			386.56	**426.02**	**831.00**	**644.15**

Amounts mentioned above are gross of upfront fees paid of ₹ 9.87 Crores

Current Borrowings

Short term borrowings are payable in one installment within one year. For short term borrowings in foreign currency, interest rates range from EURIBOR +15 bps to EURIBOR +18 bps & from LIBOR to LIBOR +50 bps. For rupee denominated short term loans taken during the year interest rate is at 6.28% to 8.25%.

Terms of repayment

1) Redeemable non convertible debenture of ₹ 300 Crores (Previous year: ₹ 300 Crores) are repayable in one bullet instalment in June 2020.
2) Rupee term loans of ₹ 1.97 Crores (Previous year: ₹ 6.02 Crores repayable in 3 half yearly instalments from September 2018) are repayable in 1 half yearly instalment in September 2019.
3) Rupee term loans of ₹ 46.50 Crores (Previous year: ₹ 48.50 Crores repayable in 9 half yearly instalments from August 2018) are repayable in 7 half yearly instalment from August 2019.
4) Rupee term loans of 3.74 Crores were repaid in current year (Previous year: ₹ 3.74 Crores repayable in 1 half yearly instalments in September 2018).
5) Rupee term loans of ₹ 149.55 Crores (Previous year: ₹ 149.85 Crores repayable in 18 instalments from June 2018) are repayable in 14 quarterly instalment from June 2019.
6) Rupee term loans of ₹ 200.00 Crores (Previous year: Nil) are repayable in 2 annual instalments from August 2020.
7) Rupee term loans of ₹ 20.00 Crores (Previous year: Nil) are repayable in 5 annual instalments from December 2019.
8) Foreign currency term loan of ₹ 172.74 Crores (Previous year: Nil) are repayable in 8 quarterly instalments from September 2020.
9) Foreign currency term loan of ₹ 387.90 Crores (Previous year: ₹ 403.57 Crores repayable in 19 quarterly instalments from August 2020) are repayable in 19 quarterly

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for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

instalments from August 2020.

10) Foreign currency term loan of ₹ 172.74 Crores (Previous year: Nil) are repayable in 14 quarterly instalments from July 2020.

11) Foreign currency term loan of ₹ 34.55 Crores (Previous year: ₹ 58.63 Crores repayable in 4 half yearly instalments from September 2018) are repayable in 2 half yearly instalments from September 2019.

12) Foreign currency term loan of ₹ 30.72 Crores (Previous year: ₹ 57.93 Crores repayable in 4 half yearly instalments from July 2018) are repayable in 2 half yearly instalments from July 2019.

13) Foreign currency term loan of ₹ 138.18 Crores (Previous year: ₹ 162.88 Crores repayable in 5 half yearly instalments from March 2019) are repayable in 4 half yearly instalments from September 2019.

14) Foreign currency term loan of ₹ 239.54 Crores (Previous year: ₹ 260.62 Crores repayable in 15 half yearly instalments from April 2018) are repayable in 13 half yearly instalments from April 2019.

15) Foreign currency term loan of ₹ 41.85 Crores (Previous year: ₹ 97.77 Crores repayable in 5 half yearly instalments from June 2018) are repayable in 2 half yearly instalments from June 2019.

16) Foreign currency term loan of ₹ 89.82 Crores (Previous year: ₹ 117.27 Crores repayable in 8 half yearly instalments from May 2018) are repayable in 6 half yearly instalments from May 2019.

17) Foreign currency term loan of ₹ 6.52 Crores were repaid in the current year (Previous year: ₹ 6.52 Crores is repayable in one yearly instalment in October 2018)

18) Foreign currency term loan of ₹ 26.06 Crores were repaid in current year (Previous year: ₹ 26.06 Crores is repayable in one yearly instalment in December 2018)

19) Foreign currency term loan of ₹ 158.91 Crores (Previous year: ₹ 149.86 Crores is repayable in one bullet instalment in April 2019) are repayable in one bullet instalment in April 2019.

20) Foreign currency term loan of ₹ 15.00 Crores (Previous year: ₹ 15.00 Crores is repayable in one bullet instalment in June 2022) are repayable in one bullet instalment in June 2022.

21) Foreign currency term loan of ₹ 411.12 Crores (Previous year: Nil) are repayable in one bullet instalment in March 2022.

22) Foreign currency term loan of ₹ 260.60 Crores were repaid in current year (Previous year: ₹ 260.60 Crores is repayable in one bullet instalment in March 2021).

23) Foreign currency term loan of ₹ 162.89 Crores were repaid in current year (Previous year: ₹ 162.89 Crores are repayable in one bullet instalment in March 2020).

19 Provisions

	As at March 31, 2019	As at March 31, 2018
Non-Current		
Provision for compensated absence (Refer note 36.3)	26.69	23.52
Provision for retention pay (Refer note 36.3)	9.42	8.33
Other employee benefits	1.99	1.52
	38.10	**33.37**
Current		
Provision for compensated absence (Refer note 36.3)	5.89	4.51
Provision for retention pay (Refer note 36.3)	0.07	0.09
	5.96	**4.60**

20 Trade Payables

	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises #	18.24	19.35
Total outstanding dues of creditors other than micro enterprises and small enterprises	1364.18	1,024.89
	1,382.42	**1,044.24**

Refer note 20.1

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for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

20.1 Total outstanding dues of micro enterprises and small enterprises

Sundry Creditors 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, 2019	As at March 31, 2018
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount	34.42	42.40
- Interest due thereon	0.01	0.70
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	31.60
- Interest actually paid under section 16 of MSMED /settled	1.18	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	0.38
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	0.01	1.08
- Interest remaining unpaid as at the end of the year	1.02	2.19
Interest remaining due and payable even in the succeeding years, until such date when the interest dues are actually paid, for the purpose of disallowance of a deductible expenditure	0.01	1.08

21 Other Financial Liabilities

	As at March 31, 2019	As at March 31, 2018
Current		
Current maturities of long term borrowings (Refer note 18)	441.46	383.80
Interest accrued but not due on borrowings	31.54	25.08
Unpaid dividends*	5.89	6.32
Security deposits received	5.96	6.27
Payables to capital creditors		
Total outstanding dues of micro enterprises and small enterprises #	17.20	25.24
Total outstanding dues of creditors other than micro enterprises and small enterprises	84.43	76.24
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	4.26	0.36
Employee share based payment liability (Refer note 37)	0.06	-
Others	11.69	0.28
Total other financial liabilities	**602.49**	**523.59**

*Amount will be credited to investor education and protection fund if not claimed within seven years from the date of issue of dividend.

Refer note 20.1

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

22 Tax Assets and Liabilities

	As at March 31, 2019	As at March 31, 2018
Non - Current tax assets		
Advance tax (net of provision for tax)	19.00	17.71
Current tax liablities		
Provision for tax (net of advance tax)	9.83	10.53

23 Other Liabilities

	As at March 31, 2019	As at March 31, 2018
Non-current		
Deferred government grants*	18.53	34.26
	18.53	**34.26**
Current		
Contract liability	16.69	33.12
Statutory liabilities	11.89	30.13
Other payables	33.71	28.47
Payable to gratuity trust (Refer note 36.2)	8.30	6.75
	70.59	**98.47**

*The Company has recognized grant in respect of duty paid on procurement of capital goods under post EPCG scheme of Central Government which allows refund of such duty in the form of freely transferable duty credit scrips upon meeting of requisite export obligation. The Company expects to meet its export obligations in future years. Export obligation as on March 31, 2019 is ₹ 25.18 Crores (Previous Year - ₹ 145.68 Crores).

Further, the group has received financial assistance from the Industrial Development Corporation of South Africa for the development of the clothing and textiles competitiveness programme - RCF in respect of its property,plant and equipment.

The unamortised grant amount as on March 31, 2019 is ₹ 18.53 Crores (Previous year : ₹ 34.26 Crores).

24 Revenue from Operations

	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products*		
Manufactured goods	7,473.69	5,537.24
Traded goods	67.69	69.41
	7,541.38	**5,606.65**
Other operating revenues		
Claims	1.27	1.89
Export and other incentives	113.19	45.70
Scrap sales	35.26	19.58
Other operating income	1.59	11.05
	151.31	**78.22**
	7,692.69	**5,684.87**

*Revenue upto June 30, 2017 is inclusive of excise duty. However w.e.f. July 1, 2017 revenue is presented net of Goods and Service Tax. Hence revenue for the current year is not comparable with the previous year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Reconciliation of revenue from sale of products with the contracted price

	Year ended March 31, 2019	Year ended March 31, 2018
Contracted price	7,671.25	5,712.93
Less: Discounts, allowances and claims	(129.87)	(106.28)
Sale of products	**7,541.38**	**5,606.65**

25 Other Income

	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income*		
- from customers	0.10	0.09
- on loans and deposits	0.97	0.91
- on others	3.41	2.86
Net gain on sale/discarding of property, plant and equipment		0.58
Net gain on financial assets measured at fair value through profit and loss	11.93	9.95
Net foreign currency exchange fluctuation gains	-	46.32
Grant income	-	6.38
Provision / liabilities no longer required written back	11.00	26.98
Other non-operating income	12.73	21.05
	40.14	**115.12**

*Pertains to financial assets measured at amortised cost

26.1 Cost of Materials Consumed

	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock of raw materials	481.95	414.41
Add: Purchases of raw materials	4,508.30	3,083.24
	4,990.25	**3,497.65**
Less: Closing stock of raw materials	608.11	481.95
Cost of materials consumed*	**4,382.14**	**3,015.70**

* Including packing material

26.2 Purchases of Stock in Trade

	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of stock in trade	48.55	47.40
	48.55	**47.40**

26.3 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade

	Year ended March 31, 2019	Year ended March 31, 2018
Inventories at the end of the year:		
Stock-in-Process	147.60	110.97
Finished goods	225.86	194.96
Traded goods	5.00	4.01
	378.46	**309.94**
Effect of changes in exchange currency rates		
Stock-in-Process	2.37	3.31
Finished goods	(4.90)	4.69
	(2.53)	**8.00**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Inventories at the beginning of the year:		
Stock-in-Process	110.97	101.45
Finished goods	194.96	181.82
Traded goods	4.01	1.87
Less: Excise duty on finished goods	-	(14.30)
	309.94	**270.84**
Net (increase) / decrease	**(71.05)**	**(31.10)**

27 Employee Benefits Expense

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages, including bonus	424.14	398.59
Contribution to provident and other funds	32.43	28.03
Workmen and staff welfare expenses	55.00	47.42
Share based payment expense (Refer note 37)	4.34	-
	515.91	**474.04**

28 Finance Cost

	Year ended March 31, 2019	Year ended March 31, 2018
Interest cost*		
- Non convertible debentures	21.99	21.99
- Term loans and others	154.03	80.60
Other borrowing costs	16.21	15.21
Exchange differences regarded as an adjustment to borrowing cost	9.37	6.09
	201.60	**123.89**

*Includes unwinding of deferred payment financial liability and pertains to liabilities measured at amortised cost

29 Depreciation and Amortisation Expense

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment	357.18	301.78
Amortisation of intangible assets	9.69	14.02
	366.87	**315.80**

30 Other Expense

	Year ended March 31, 2019	Year ended March 31, 2018
Credit impaired assets provided / written off	2.23	3.02
Labour production	41.21	36.43
Directors' sitting fees	0.27	0.19
Expenditure on corporate social responsibility**	10.38	5.00
Fixed assets/inventory provided / written off	1.95	6.48
Freight charges	244.00	209.11

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Insurance	24.20	21.87
Power and fuel	628.63	500.79
Legal and professional charges	34.85	34.00
Rates and taxes	35.93	7.98
Rent*	30.91	29.43
Repairs and maintenance		
- Buildings	5.53	4.91
- Plant and machinery	150.97	134.72
- Other maintainces	37.30	35.78
Selling commission	24.35	12.56
Stores and spares consumed	61.13	55.00
Travelling and conveyance	21.31	18.16
Auditor remuneration#		
- Audit Fees	0.90	1.17
- For limited review of unaudited financial results	0.52	0.56
- For Corporate governance, consolidated financial statements and other certificates	0.12	0.15
- For tax audit	0.06	0.24
- Reimbursement of out of pocket expenses	0.17	0.07
Exchange currency fluctuation (net)	23.79	-
Effluent disposal expenses	24.92	9.11
Miscellaneous expenses^	56.29	50.03
	1,461.92	**1,176.76**

*Refer to note- 40

**Refer to note- 45(d)

^Miscellaneous expenses include ₹ 3.00 Crores (Previous year : Nil) as political contribution.

#including fees paid to auditors of subsidiary companies

31 Income Tax Recognised in Profit and Loss

	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
In relation to current year	149.55	109.52
Adjustment in relation to earlier years	(1.31)	(2.46)
	148.24	**107.06**
Deferred tax		
- MAT credit entitlement		
In relation to current year	(59.70)	(49.17)
Adjustment in relation to earlier years	(27.41)	(39.74)
	(87.11)	**(88.91)**
- Others		
In relation to current year	122.56	96.55
Adjustment in relation to earlier years	1.57	5.26
	124.13	**101.81**

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for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

The income tax expenses for the year can be reconciled to the accounting profits as follows:

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	**826.89**	**581.67**
Income Tax Expenses @ 34.944%(Previous year @ 34.608%)	288.95	201.31
Effect of deductions (research and development and deductions under Chapter - VIA of Income Tax Act)	(45.61)	(39.68)
Effect of expenses that are not deductible in determining taxable profits	5.87	1.04
Effect of change in income tax rate from 34.608% to 34.944% vide Finance Act, 2018	-	4.90
Effect of Nil tax of overseas subsidiaries	(17.01)	(4.19)
Effect of lower tax rates in overseas subsidiaries	(19.89)	(8.92)
Effect of Deferred tax reversal in overseas subsidiaries	-	2.69
Others	0.10	(0.25)
Income tax expenses recognised in profit and loss in relation to current year	**212.41**	**156.90**
Income tax expenses recognised in profit and loss in relation to earlier years*	(27.15)	(36.94)
Total Income tax expenses recognised in profit and loss	**185.26**	**119.96**

The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (2018: 34.608%) payable by corporate entities in India on taxable profits under the Indian tax law.

*This amount includes tax credit of ₹ 24.76 Crores (Previous year ₹ 33.97 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 opinion from external tax experts and consultants and finalization of transfer pricing study /tax audit reports of the earlier years.

32 Income Tax Recognised in Other Comprehensive Income

	Year ended March 31, 2019	Year ended March 31, 2018
Arising on income and expense recognised in other comprehensive income		
Net (gain)/ loss on designated portion of hedging instruments in cash flow hedges	(19.05)	9.33
Remeasurement of defined benefit obligation	0.62	0.29
	(18.43)	**9.62**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	(19.05)	9.33
Items that will not be reclassified to profit or loss	0.62	0.29
	(18.43)	**9.62**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

33 Contingent Liabilities

	As at March 31, 2019	As at March 31, 2018
a. Claims against the group not acknowledged as debts:		
Excise duty, custom duty and service tax*@	21.33	22.94
Sales tax and entry tax **@	46.94	63.19
Income Tax****	9.07	8.58
Stamp Duty*****	28.82	28.82
Others***	1.00	0.94

*Amount deposited ₹ 6.16 Crores (Previous year : ₹ 7.49 Crores)
**Amount deposited ₹ 2.57 Crores (Previous year : ₹ 21.76 Crores)
***Amount deposited ₹ 0.09 Crores (Previous year : ₹ 0.08 Crore)
****Amount deposited ₹ 7.14 Crores (Previous year : ₹ 6.07 Crores)
*****In the matter of acquisition of the Tyrecord Division at Malanpur from CEAT Limited the Collector of Stamps, Bhind (Madhya Pradesh) has by his order dated November 7, 2001 assessed the value of the subject matter of the Deed of Conveyance dated June 13,1996 at ₹ 303.00 Crores and levied a stamp duty of ₹ 23.73 Crores and imposed a penalty of ₹ 5.09 Crores. The said demand was challenged before the Hon'ble High Court of Madhya Pradesh Bench at Gwalior. The Hon'ble High Court of Madhya Pradesh accepted the case of the group that the subject matter of the Deed of Conveyance dated June 13,1996 is only the superstructures valued at ₹ 27.76 Crores and not the entire undertaking valued at ₹ 303.00 Crores as claimed by the State. Consequently, the Hon'ble High Court of Madhya Pradesh quashed the order and demands issued by the Collector of Stamps, Bhind (Madhya Pradesh) and allowed the writ petition by an order dated November 29, 2004. Against the said order, the State of Madhya Pradesh preferred a Special Leave Petition before the Hon'ble Supreme Court which the State of Madhya Pradesh has withdrawn to enable it to approach the Hon'ble High Court of Madhya Pradesh at Gwalior in view of the change in law in the State of Madhya Pradesh relating to Letters Patent Appeal. Since then, the Department has filed appeal which has been admitted. Matter will be listed in due course.

@ As per Business Transfer Agreement with KAMA Holdings Limited, the liabilities of ₹ NIL Crores (Previous year : ₹ 20.64 Crores) and Nil (Previous year : ₹ 0.38 Crore) respectively towards Excise Duty and Sales tax are covered under Representations and Warranties.

All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on the results of the operations or financial position of the group.

b. The group has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax amounting to ₹ 20.10 Crores (Previous year : ₹ 23.51 Crores) should not be levied. The group has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.

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 group or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The group engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

d. On February 28,2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the "India Defined Contribution Obligation") altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under employees Provident Fund Act, 1952. There is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. Owing to the aforesaid uncertainty, the group has not considered any probable obligations for periods prior to date of aforesaid judgment. The group is further evaluating its next course of action in this matter.

Notes to the Consolidated Financial Statements

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34 Capital and other commitments

		As at March 31, 2019	As at March 31, 2018
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	626.49	140.82

(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.

(iii) The Company has recognized grant in respect of duty paid on procurement of capital goods under post EPCG scheme of Central Government which allows refund of the such duty in the form of freely transferable duty credit scrips of upon meeting of requisite export obligation. The Company expects to meet its export obligations in future years. Export obligation as on March 31, 2019 is ₹ 25.18 Crores (Previous Year - ₹ 145.68 Crores).

35 Related Party Transactions

35.1 Description of related parties

Holding Company
KAMA Holdings Limited

Fellow subsidiaries^
KAMA Realty (Delhi) Limited
Shri Educare Limited

Post employment benefit plans trust
SRF Limited Officers Provident Fund Trust
SRF Employees Gratuity Trust
SRF Officers Gratuity Trust

Key management personnel (KMP)
Mr. Arun Bharat Ram
Mr. Ashish Bharat Ram
Mr. Kartik Bharat Ram
Mr. Vinayak Chatterjee #
Mr. Tejpreet S Chopra
Mr. Lakshman Lakshminarayan
Mr. Vellayan Subbiah
Dr. Meenakshi Gopinath
Mr. Pramod Gopaldas Gujarathi
Mr. Pramod Bhasin*
Ms. Bharti Gupta Ramola**

Enterprises over which KMP have significant influence ^
SRF Foundation
Karm Farms LLP
Srishti Westend Greens Farms LLP
Statkraft BLP Solar Solutions Private Limited@
SRF Welfare Trust

* Up to February 4, 2019
** From February 04, 2019
\# Up to March 31, 2019
^ Only with whom the group has transaction during the year.
@ Up to April 16, 2018

Notes to the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

35.2 Transactions with related parties

	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of property, plant & equipment and intangible assets from:		
Enterprises over which KMP have significant influence	-	23.40
	-	**23.40**
Rent paid		
Fellow Subsidiaries	6.75	6.72
Key management personnel	0.29	0.29
Enterprises over which KMP have significant influence	1.56	1.56
	8.60	**8.57**
Reimbursement of expenses from		
Holding Company	0.01	0.01
Fellow Subsidiaries	0.04	0.04
	0.05	**0.05**
Loans / deposits given to (including exchange fluctuation)		
Fellow Subsidiaries	-	0.05
Enterprises over which KMP have significant influence	-	0.05
	-	**0.10**
Loans/deposits received back from		
Enterprises over which KMP have significant influence	1.20	-
	1.20	**-**
Donations to		
Enterprises over which KMP have significant influence	10.38	5.00
	10.38	**5.00**
Contribution to post employment benefit plans		
Post employment benefit plans trust	21.20	21.69
	21.20	**21.69**

35.3 Outstanding Balances:

	As at March 31, 2019	As at March 31, 2018
Commission payable		
Key management personnel	7.00	5.85
	7.00	**5.85**
Payable		
Post employment benefit plans trust	9.30	7.83
	9.30	**7.83**
Security deposits outstanding		
Fellow Subsidiaries	3.39	3.39
Key management personnel	0.13	0.13
Enterprises over which KMP have significant influence	0.18	1.38
	3.70	**4.90**

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for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

35.4 Key management personnel compensation

	Year ended March 31, 2019	Year ended March 31, 2018
Short-term benefits	16.95	14.84
Post-employment benefits	1.36	1.23
Other long-term benefits	0.33	0.30
	18.64	**16.37**

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, 2019	Year ended March 31, 2018
Superannuation fund (Refer to note (i) below)	0.58	0.91
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	9.73	9.46
Employees' State Insurance Corporation	1.13	1.58
National Pension Scheme	1.78	1.45
	13.22	**13.40**

Foreign subsidiaries	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to provident fund	2.01	2.47
Skill,development and Social Security Fund	1.43	1.45
Pension fund	1.03	1.16
	4.47	**5.08**

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 accounted for on the basis of an actuarial valuation.

36.2 Defined benefit plans

The group sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by separate funds which are legally separate from the group. These plans are:

(a) Gratuity

(b) Provident fund for certain category of employees administered through a recognized provident fund trust. The group has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis.

(c) Legal Severance pay & Health care (Unfunded) as applicable with respect to foreign entities

(i) These plans typically expose the group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

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.

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for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

(ii) The principal assumption used for the purpose of the actuarial valuation were as follows:

Indian entities	As at March 31, 2019		As at March 31, 2018	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	7.66%	7.66%	7.74%	7.74%
Expected statutory interest rate	-	8.65%	-	8.55%
Salary increase	7.00%	-	7.50%	-
Retirement Age (years)	58	58	58	58
Mortality Rates	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Withdrawal Rate				
Upto 30 years	20.00%	20.00%	10.00%	10.00%
31 to 44 years	7.00%	7.00%	5.00%	5.00%
Above 44 years	8.00%	8.00%	2.00%	2.00%

Foreign subsidiaries	As at March 31, 2019		As at March 31, 2018	
	Legal Severance Pay (unfunded)	Health Care (unfunded)	Legal Severance Pay (unfunded)	Health Care (unfunded)
Discount Rate	2.97%/3.05%	-	2.88%/3.07%	-
Salary increase	6.5%/5.00%	-	5.00%/5.00%	-
In service mortality	TMO	-	TMO	SA
	2017	-	2017	
Retirement Age	60 / 55	-	60 / 55	-
Withdrawal Rate				
- up to 20 years	55/25	-	55/20	-
- 21-30	30/15	-	45/17	-
- 31-40	11/12	-	17/12	-
- 41-50	3.5/3	-	7/3	-
- 51 onwards	2.5/2	-	3/2	-

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuations involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date.

The present value of defined benefit obligation and the related current service cost and past service cost were measured using projected unit credit method.

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for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

(iii) Amounts recognized in statement of profit an loss in respect of these benefit plans are as follows:

Indian entities	Year ended March 31, 2019		Year ended March 31, 2018	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	6.00	6.36	5.44	5.37
Interest expenses (net of expected return on plan assets)	0.52	-	0.46	-
	6.52	**6.36**	**5.90**	**5.37**

Foreign subsidiaries	Year ended March 31, 2019		Year ended March 31, 2018	
	Legal Severance Pay (unfunded)	Health Care (unfunded)	Legal Severance Pay (unfunded)	Health Care (unfunded)
Current Service cost	1.60	-	1.32	0.19
Net interest expenses	0.26	-	0.19	-
Provision no longer required	-	-		(1.97)
	1.86	**-**	**1.51**	**(1.78)**

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	Year ended March 31, 2019		Year ended March 31, 2018	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Actuarial (gain)/losses on plan assets	(5.71)	-	(1.02)	-
Actuarial (gain)/losses arising from changes in financial assumptions	(2.43)	-	(2.03)	-
Actuarial (gain)/losses arising from changes in experience adjustments	9.92	-	3.90	-
	1.78	**-**	**0.85**	**-**

Foreign subsidiaries	Year ended March 31, 2019		Year ended March 31, 2018	
	Legal Severance Pay (unfunded)	Health Care (unfunded)	Legal Severance Pay (unfunded)	Health Care (unfunded)
Actuarial (gain)/losses arising from changes in financial assumptions	0.16	-	0.18	-
Actuarial (gain)/losses arising from changes in experience adjustments and demographic assumption	(0.45)	-	0.38	-
	(0.29)	**-**	**0.56**	**-**

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for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

(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, 2019		As at March 31, 2018	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	70.66	121.17	62.22	105.25
Fair value of plan assets	62.36	123.07	55.47	106.83
Surplus / (deficit)	**(8.30)**	**1.90**	**(6.75)**	**1.58**
Effect of asset ceiling	-	(1.90)	-	(1.58)
Net asset / (liability)	**(8.30)**	**-**	**(6.75)**	**-**

Foreign subsidiaries	As at March 31, 2019		As at March 31, 2018	
	Legal Severance Pay (unfunded)	Health Care (unfunded)	Legal Severance Pay (unfunded)	Health Care (unfunded)
Present value of funded defined benefit obligation	9.72	-	8.09	-
Fair value of plan assets	-	-	-	-
Net asset / (liability)	**(9.72)**	**-**	**(8.09)**	**-**

(vi) Movements in the present value of defined benefit obligation are as follows:

Indian entities	Year ended March 31, 2019		Year ended March 31, 2018	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	62.22	105.25	57.53	93.31
Current Service Cost	6.00	6.36	5.44	5.37
Interest Cost	4.81	8.01	4.23	6.82
Actuarial (gain)/losses arising from changes in financial assumptions	(2.43)	-	(2.03)	-
Actuarial (gain)/losses arising from changes in experience adjustments	9.92	-	3.90	-
Benefits paid	(9.86)	(7.87)	(6.85)	(11.82)
Contribution by plan participants / employees	-	8.78	-	8.11
Settlement / transfer in	-	0.64	-	3.46
Closing defined benefit obligation	**70.66**	**121.17**	**62.22**	**105.25**

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for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Foreign subsidiaries	Year ended March 31, 2019		Year ended March 31, 2018	
	Legal Severance Pay (unfunded)	Health Care (unfunded)	Legal Severance Pay (unfunded)	Health Care (unfunded)
Opening defined benefit obligation	8.09	-	5.45	1.86
Current Service Cost*	1.60	-	1.32	(1.78)
Interest Cost	0.26	-	0.19	
Actuarial (gain)/losses arising from changes in financial assumptions	0.16	-	0.18	-
Actuarial (gain)/losses arising from changes in experience adjustments & demographic assumption	(0.45)	-	0.38	-
Exchange difference on foreign plans	0.38	-	0.46	-
Benefits paid/Settled	(0.32)	-	0.11	(0.08)
Closing defined benefit obligation	**9.72**	**-**	**8.09**	**-**

*Provision reversed due to closure of business operations in South Africa of one subsidiary.

(vii) Movements in the fair value of plan assets are as follows:

Indian entities	Year ended March 31, 2019		Year ended March 31, 2018	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	55.47	106.83	51.29	93.48
Return on plan assets (excluding amounts included in net interest expenses)	10.00	8.33	4.79	8.23
Contributions from employer	6.75	6.36	6.24	5.37
Contributions from plan participants	-	8.78	-	8.11
Benefits paid	(9.86)	(7.87)	(6.85)	(11.82)
Settlement / Transfer in	-	0.64	-	3.46
Closing fair value of plan assets	**62.36**	**123.07**	**55.47**	**106.83**

Gratuity:

Plan assets comprises primarily of investment in HDFC Group Unit Linked Plan fund. The average duration of the defined benefit obligation is 23 years (Previous year : 23 years). The group expects to make a contribution of ₹ 7.01 Crores (Previous year : ₹ 6.54 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

(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, 2019		Year ended March 31, 2018	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Sensitivity analysis of gratuity				
Discount rate	(2.05)	2.18	(2.44)	2.63
Expected salary growth	2.19	(2.07)	2.63	(2.46)
Sensitivity analysis of provident fund				
Discount rate	(0.01)	0.01	(0.01)	0.01

Foreign subsidiaries	Year ended March 31, 2019		Year ended March 31, 2018	
	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Sensitivity analysis of defined benefit obligation				
Discount rate	(0.87)	1.00	(0.72)	0.83
Expected salary growth	1.01	(0.89)	0.89	(0.76)

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, 2019	Year ended March 31, 2018
Long term retention pay (refer to note (i) below)	0.17	1.60
Compensated absences	6.93	5.62
	7.10	**7.22**

(i) Long Term Retention Pay

The group has a Long Term Retention Pay Plan which covers employees selected on the basis of their current band and their long term value to the Company. The incentive is payable in three year blocks subject to achievement of certain performance ratings. The Company also has a scheme for talent retention of certain identified employees under which an incentive is payable over a period of three years. Based on actuarial valuation, the Company has accrued the above mentioned amounts.

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37 Employee Share Based Payments

The Company has an Employee Share Purchase Scheme (SRF Long Term Share Based Incentive Plan) to provide equity settled share based payments to certain employees. The expenses related to the grant of shares under the Scheme are accounted for on the basis of fair value of the share on the grant date (which is the market price of the Company's share on the date of grant less exercise price). The fair value so determined is expensed on a straight line basis over the remaining tenure over which the employees renders their services.

The number and fair value of equity shares granted during the year are as under:

	Year ended March 31, 2019	Year ended March 31, 2018
Number of equity shares granted during the year	60,000	-
Market price on the grant date (₹ per equity share)	1,724.73	-
Exercise price (₹ per equity share)	10.00	-
Fair value on the grant date (₹ per equity share)	1,714.73	-

38 Segment Reporting

Based on the guiding principles laid down in Indian Accounting Standard (Ind AS) - 108 "Segment Reporting", the Managing Director of the group is the Chief Operating Decision Maker (CODM) and for the purposes of resource allocation and assessment of segment performance the business of the group is segregated in the segments below:

- Technical Textiles business: includes nylon tyre cord fabric, belting fabric, polyester tyre cord fabric and industrial yarns and its research and development
- Chemicals business: includes refrigerant gases, chloromethane, pharmaceuticals, fluorochemicals & allied products and its research and development.
- Packaging Film business: includes polyester films.
- Others: includes coated fabric, laminated fabric and engineering plastics.

Effective April 1, 2018, the Group has realigned its operating segments based on requirements under Ind AS 108 – Operating Segments. Accordingly, Laminated Fabrics business and Coated Fabrics business from "Technical Textiles Business" segment and Engineering Plastics business from "Chemicals and Polymers Business" segment have been regrouped to "Others" segment. Also "Chemicals and Polymers Business" segment has been renamed to "Chemicals Business" segment. Relevant comparative information has been restated to give effect to the above changes.

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:

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(All amounts in ₹ Crores, unless otherwise stated)

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.

b) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the consolidated balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

A. Information about operating business segments

	Year ended March 31, 2019	Year ended March 31, 2018
Segment revenue		
a) Technical textiles business (TTB)		
- External sales	2,070.88	1,836.00
- Inter-segment sales	3.36	2.81
Total	**2,074.24**	**1,838.81**
b) Chemicals and polymers (CPB)		
- External sales	2,445.42	1,611.38
- Inter-segment sales	-	-
Total	**2,445.42**	**1,611.38**
c) Packaging films business (PFB)		
- External sales	2,651.03	1,780.21
- Inter-segment sales	2.31	2.06
Total	**2,653.34**	**1,782.27**
d) Others		
- External sales	525.36	457.28
- Inter-segment sales	-	0.02
Total	**525.36**	**457.30**
Total segment revenue	**7,698.36**	**5,689.76**
Less: Inter Segment revenue	5.67	4.89
Revenue from operations	**7,692.69**	**5,684.87**
Add: unallocable income	40.14	115.12
Total revenue	**7,732.83**	**5,799.99**
Segment Profits		
Profit/ (loss) before interest and tax from each segment		
a) Technical textiles business (TTB)	298.23	252.86
b) Chemicals and polymers (CPB)	384.25	269.37
c) Packaging films business (PFB)	411.48	229.77
d) Others	46.73	44.38

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	Year ended March 31, 2019	Year ended March 31, 2018
Total segment results	**1,140.69**	**796.38**
Less: i) Interest and finance Charges	201.60	123.89
Less: ii) Other unallocable expenses net of income	112.20	90.82
Profit before tax	**826.89**	**581.67**
Less: Provision for taxation	185.26	119.96
Profit after tax	**641.63**	**461.71**
Capital Expenditure		
a) Technical textiles business (TTB)	52.08	52.74
b) Chemicals and polymers (CPB)	841.49	935.71
c) Packaging films business (PFB)	187.00	274.89
d) Others	7.31	3.77
e) Unallocated	6.41	10.92
Total	**1,094.29**	**1,278.03**
Depreciation and amortisation		
a) Technical textiles business (TTB)	40.73	40.35
b) Chemicals and polymers (CPB)	221.61	185.17
c) Packaging films business (PFB)	83.01	68.61
d) Others	11.14	10.85
e) Unallocated	10.38	10.82
Total	**366.87**	**315.80**

Segment assets and liabilities	As at March 31, 2019	As at March 31, 2018
Segment Assets		
a) Technical textiles business (TTB)	1,539.71	1,389.93
b) Chemicals and polymers (CPB)	4,925.43	3,898.31
c) Packaging films business (PFB)	2,776.14	2,478.84
d) Others	298.39	295.03
Total	**9,539.67**	**8,062.11**
Unallocable assets	348.23	300.90
Total Assets	**9,887.90**	**8,363.01**
Segment Liabilities		
a) Technical textiles business (TTB)	396.23	450.46
b) Chemicals and polymers (CPB)	448.98	349.80
c) Packaging films business (PFB)	710.00	441.16
d) Others	52.05	57.32
Total	**1,607.26**	**1,298.74**
Unallocable Liabilities	4,151.37	3,499.74
Total Liabilities	**5,758.63**	**4,798.48**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

B. Information about geographical business segments

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations		
- India	4,247.75	3,182.90
- South Africa	344.26	359.31
- Singapore	70.92	83.54
- Germany	312.48	166.17
- USA	341.49	325.39
- Thailand	232.76	155.16
- Switzerland	210.51	56.10
- Belgium	263.90	152.49
- Others	1,668.62	1,203.81
	7,692.69	**5,684.87**

	As at March 31, 2019	As at March 31, 2018
Non current segment assets		
Within India	5,729.25	5,098.18
Outside India	928.49	784.88
	6,657.74	**5,883.06**

Non current segment assets includes property, plant and equipment, 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 2018-19 and 2017-18

Revenue from major products	Year ended March 31, 2019	Year ended March 31, 2018
a) Technical Textiles Business (TTB)		
Synthetic filament yarn including Industrial yarn / Tyre cord/Twine	216.14	4.11
Nylon tyre cord fabric/ Polyester tyre cord fabric / Belting fabric	1,839.09	1,806.13
b) Chemicals Business (CB)		
Fluorochemicals, Refrigerant Gases and allied products	989.68	822.93
Fluorospecialities chemicals	1,039.13	571.58
Chlorinated solvents and industrial chemicals	347.80	138.52
Waste/others	13.55	36.55
c) Packaging Films Business (PFB)		
Packaging Films	2,577.82	1,757.37
d) Others		
Laminated Fabric / Coated Fabric	265.55	254.42
Nylon / PBT / PC Compounding Chips	252.62	215.04
	7,541.38	**5,606.65**

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(All amounts in ₹ Crores, unless otherwise stated)

39 Earnings Per Share (EPS)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit attributable to equity holders of the group used in calculating basic earning per share and diluted earning per share	641.63	461.71
Weighted average number of equity shares of the group used in calculating basic earning per share and diluted earning per share (nos.)	5,74,60,445	5,74,20,500
Basic earnings per share (₹)	111.66	80.41
Diluted earnings per share (₹)	111.66	80.41

40 Operating Lease

The group has entered into operating lease agreements for various premises taken for accommodation of group's officers / directors, various offices of the group, lands and certain equipment's. These arrangements are both cancellable and non-cancellable in nature and range between two to ninety nine years. The future minimum lease payments under non-cancellable operating leases are as under:

	Year ended March 31, 2019	Year ended March 31, 2018
Non-cancellable operating lease commitments		
-Within one year	10.75	8.15
-Later than one year and not later than five years	33.47	11.89
-Later than five years	91.52	60.91
	135.74	**80.95**

	Year ended March 31, 2019	Year ended March 31, 2018
Lease rent recognized in the statement of profit and loss as per note 30	30.91	29.43

41 Financial Instruments and Risk Management

41.1 Capital Management

The group manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders by maintaining a reasonable balance between debt and equity. The capital structure of the group consists of net debt (borrowings net of cash and cash equivalents) and total equity of the group. The group is not subject to any externally imposed capital requirements. The group's management reviews the capital structure of the group on periodic basis. As part of its review, the management considers the cost of capital and risk associated with each class of capital. The group also evaluates its gearing measures using Debt Equity Ratio to arrive at an appropriate level of debt and accordingly evolves its capital structure.

The following table provides the details of the debt and equity at the end of the reporting periods

	As at March 31, 2019	As at March 31, 2018
Debt	3,730.19	3,141.84
Cash and cash equivalents	189.55	87.01
Net debt	**3,540.64**	**3,054.83**
Total equity	**4,129.27**	**3,564.53**
Net debt to equity ratio	**0.86**	**0.86**

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(All amounts in ₹ Crores, unless otherwise stated)

41.2 Financial instruments by category

Financial assets	Level of hierarchy	Notes	Carrying value as at: As at March 31, 2019	Carrying value as at: As at March 31, 2018	Fair value as at: As at March 31, 2019	Fair value as at: As at March 31, 2018
Measured at amortised cost						
Trade Receivables		a	1,028.75	680.65	1,028.75	680.65
Cash and cash equivalents		a	189.55	87.01	189.55	87.01
Bank balances other than above		a	9.33	9.73	9.33	9.73
Loans		a,b	45.23	45.18	45.23	45.18
Other financial assets		a	170.82	129.84	170.82	129.84
			1,443.68	**952.41**	**1,443.68**	**952.41**
Measured at Fair value through profit and loss						
Investments in non-convertible debentures	1	d	-	27.63	-	27.63
Investments in mutual funds	2	d	100.49	94.07	100.49	94.07
Derivative instruments	2	d	3.42	1.44	3.42	1.44
			103.91	**123.14**	**103.91**	**123.14**
Measured at Fair value through Other comprehensive income						
Investments in unquoted equity instruments	3	d	0.11	0.12	0.11	0.12
Derivative instruments	2	d	30.85	11.60	30.85	11.60
			30.96	**11.72**	**30.96**	**11.72**
Measured at amortised cost						
Borrowings		a,c	3,288.73	2,758.04	3,288.73	2,758.04
Trade Payables		a	1,382.42	1,044.24	1,382.42	1,044.24
Other financial liabilities		a	598.23	523.23	598.23	523.23
			5,269.38	**4,325.51**	**5,269.38**	**4,325.51**
Measured at Fair value through profit and loss						
Derivative instruments	2	d	-	0.36	-	0.36
			-	**0.36**	**-**	**0.36**
Measured at Fair value through other comprehensive income						
Derivative instruments	2	d	4.26	-	4.26	-
			4.26	**-**	**4.26**	**-**

(All amounts in ₹ Crores, unless otherwise stated)

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

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

(c) Fair value of quoted financial instruments (listed debentures) is based on quoted market price at the reporting date. The fair value of other long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.

(d) The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions. Based on computation, the management has assessed that the carrying values approximates their fair values.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2019 and March 31, 2018.

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. This category consists of non convertible debentures.

Level 2:

Valuation techniques with significant observable inputs: This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of over the counter (OTC) derivative contracts and open ended mutual funds.

Level 3:

Valuation techniques with significant unobservable inputs: This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

(i) Investments in mutual funds and non convertible debentures: Fair value is determined by reference to quotes from the financial institutions.

(ii) Derivative contracts: The group has entered into various foreign currency contracts and interest rate swaps contracts to manage its exposure to fluctuations in foreign exchange rates and interest rate respectively. These financial exposures are managed in accordance with the group's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the authorized dealers banks and forward exchange rates at the balance sheet date.

(iii) Unquoted equity investments: Fair value is determined based of the recoverable value as per agreement with the investee

Reconciliation of Level 3 fair value measurements	Unlisted equity instruments
As at March 31, 2017	**0.12**
Sale of investment	-
As at March 31, 2018	**0.12**
Sale of investment	(0.01)
As at March 31, 2019	**0.11**

Sensitivity of the fair value measurement to changes in unobservable inputs for financial instruments in level 3 of hierarchy is insignificant.

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41.3 Financial Risk Management

The group is exposed to various financial risks arising from its underlying operations and finance activities. The group is primarily exposed to market risk (i.e. interest rate and foreign currency risk) and to credit risk and liquidity risk. The group's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management within the group is governed by policies and guidelines approved by the senior management and the Board of Directors. These policies and guidelines cover interest rate risk, foreign currency risk, credit risk and liquidity risk. group policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function within the group. Review of the financial risk is done on a monthly basis by the Managing Director and on a quarterly basis by the Board of Directors. The objective of financial risk management is to contain, where deemed appropriate, exposures on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the group's results and financial position.

In accordance with its financial risk management policies, the group manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. It is the group's policy and practice neither to enter into derivative transactions for speculative purpose, nor for any purpose unrelated to the underlying business. The Board of Directors / Managing Director reviews and approves policies for managing each of the above risks.

41.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The group enters into derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk.

A. Foreign Currency Risk Management

Foreign currency risk also known as Exchange Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign currency risk in the group is attributable to group's operating activities and financing activities.

In the operating activities, the group's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). The group manages the Net exposure on a rolling 12 month basis and hedges the exposures based on a duly approved policy by the Board. 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.

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(All amounts in ₹ Crores, unless otherwise stated)

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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD	383.87	316.03	2,009.90	1,749.56
EUR	128.48	92.81	475.72	469.11
JPY	-	-	7.72	6.55
GBP	4.85	0.33	0.58	0.08

Foreign currency sensitivity analysis

The group is mainly exposed to changes in USD, EURO, JPY and GBP exchange rates.

The following table details the group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2019		Year ended March 31, 2018	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) *				
USD	12.54	(12.54)	14.21	(14.21)
EUR	(0.31)	0.31	(0.32)	0.32
JPY	0.08	(0.08)	0.07	(0.07)
GBP	(0.05)	0.05	-	-

*Includes sensitivity on long-term foreign currency monetary items on which Para D13 AA of Ind AS 101. Accordingly, the exchange loss/ (gain) arising on long term foreign currency monetary items relating to acquisition of depreciable assets will be added to/deducted from the cost of such assets/capital work-in-progress and will be depreciated over the balance useful life of assets.

Impact on equity (Other comprehensive income)

	Year ended March 31, 2019		Year ended March 31, 2018	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
USD	3.45	(3.45)	-	-
EUR	3.88	(3.88)	3.39	(3.39)

Foreign exchange derivative contracts

The group uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The group's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within of 1 to 15 months for hedges of forecasted sales, purchases and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

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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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD/INR Sell forward	110	34	113.00	60.50	780.75	396.81	45.07	13.59
EUR/USD Sell forward	11	8	12.00	3.90	95.51	31.03	-	-
EUR/USD Buy forward	-	3	-	7.32	-	59.15	-	-
EUR/THB Buy forward	12	-	17.50	-	142.16	-	-	-
USD/THB Buy forward	1	4	0.50	2.27	3.44	15.02	-	-
USD/ZAR Buy Forward	-	3	-	0.30	-	10.01	-	-

* 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 foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2019		Year ended March 31, 2018	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) for the year				
USD	0.92	(0.92)	0.46	0.46
EUR	0.51	(0.51)	0.31	(0.31)
Impact on equity				
USD	6.99	(6.99)	3.59	(3.59)
EUR	(0.95)	0.95	(0.60)	0.60

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 ₹ 853 Crores and floating interest loan is ₹ 1,757 Crores (Previous year : Fixed interest loan ₹ 939 Crores and Floating interest loan ₹ 1,348 Crores)

Notes to the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate long term borrowings, as follows:

	Year ended March 31, 2019		Year ended March 31, 2018	
	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %
Increase in profit before tax by	2.09	2.01	1.00	2.85

In case of increase in interest rate by above mentioned percentage, there would be a comparable impact on the profit before tax as mentioned above would be negative.

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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
IRS Contracts*	4	7	23.13	36.21	54.24	87.84	105.58	148.07

Each of the above trades are in the nature of cash flow hedges and are effective hedges. The mark to market on these trades is therefore routed through Cash flow Hedge Reserve. The interest rate swap and the interest payments on the loan are paid simultaneously and are charged to statement of profit and loss.

* Sensitivity on the above IRS contracts in respect of interest rate exposure is insignificant

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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, 2019			Year ended March 31, 2019	As at March 31, 2018			Year ended March 31, 2018
	Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in OCI	Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in OCI
Foreign exchange contracts	912.03	22.88	Other financial assets / liabilities (current and non - current)	18.33	421.86	4.55	Other financial assets / liabilities (current and non - current)	(6.75)
Foreign currency denominated loans	733.38	733.38	Non-current borrowing	35.25	403.57	403.57	Non-current borrowing	(22.17)
Interest rate swap contacts	159.82	3.72	Other financial assets (current and non-current)	(3.33)	235.91	7.05	Other financial assets (current and non - current)	2.24

Fair flow hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2019			Year ended March 31, 2019	As at March 31, 2018			Year ended March 31, 2018
	Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in consolidated statement of Profit and loss	Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in consolidated statement of Profit and loss
Foreign exchange contracts	154.89	3.42	Other financial assets (current and Non-current)	2.00	103.76	1.08	Other financial assets / liabilities (Current and Non - current)	(4.30)

(All amounts in ₹ Crores, unless otherwise stated)

41.3.2 Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables, loans and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Investments of surplus funds are made only with counterparties who meet the parameters specified in Investment Policy of the groups . The investment policy is reviewed by the group's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as the minimize the concentration of risks and therefore mitigate financial loss due to counterparty's potential failure.

Expected credit loss on financial assets:

To manage credit risk for trade receivables, the group establishes credit approvals and credit limits, periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets other than as detailed below.

Loss allowance for the following financial assets have been recognised by the group:

	Note No.	As at March 31, 2019	As at March 31, 2018
Loans - non-current	8	0.07	0.15
Loans - current	8	2.74	2.74
Trade receivables	13	2.49	15.83
		5.30	**18.72**

	Loans (current and non current)	Trade receivables
As at March 31, 2017	2.89	15.15
Provided during the year	-	1.11
Reversed during the year	-	(0.42)
As at March 31, 2018	**2.89**	**15.84**
Provided during the year	1.37	0.86
Reversed during the year	(1.45)	(14.22)
As at March 31, 2019	**2.81**	**2.49**

Other than financial assets mentioned above, none of the group's financial assets are either impaired or past due, and there are no indications that defaults in payments obligation would occur.

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41.3.3 Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the group to meet its financial obligations. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of money market instruments, bank overdrafts, bank loans, debentures and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director, Chief Financial Officer and Treasury Head. The group assesses the concentration of risk with respect to refinancing its debt, guarantee given and funding of its capital expenditure according to needs of the future. The group manages its liquidity by holding appropriate volumes of liquid assets which are available for its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyze the group's financial liabilities into relevant maturity profiles based on their contractual maturities:

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2019				
Borrowings*	1,568.85	2,023.58	137.76	**3,730.19**
Trade payables	1,382.42	-	-	**1,382.42**
Other financial liabilities	161.03	-	-	**161.03**
	3,112.30	**2,023.58**	**137.76**	**5,273.64**

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2018				
Borrowings*	1,234.57	1,649.83	257.43	**3,141.83**
Trade payables	1,044.24	-	-	**1,044.24**
Other financial liabilities	139.80	-	-	**139.80**
	2,418.61	**1,649.83**	**257.43**	**4,325.87**

* including current maturity of non-current borrowings

42 Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers

Contact assets (Unbilled revenue)	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance	-	-
Increase as a result of changes in measure of progress	25.52	-
Transfer from contract assets recognised at the beginning of the year to receivables	-	-
	25.52	**-**

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Contact liability	Year ended March 31, 2019	Year ended March 31, 2018
Opening balance	33.12	28.96
Revenue recognised that was included in the contract liability balance at the beginning of the period	(33.12)	(28.96)
Increase due to cash received, excluding the amount recognised as revenue during the period	16.69	33.12
	16.69	**33.12**

43 Group Information

Name	Principal activities	Country of incorporation	% equity interest	
			March 31, 2019	March 31, 2018
SRF Holiday Home Limited	Development and lease of Industrial, commercial and residential complexes	India	100%	100%
SRF Employees Welfare Trust	Implementation and operationalisation of long term incentive plans of the Company	India	100%	-
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%	-
SRF Industries (Thailand) Limited (subsidiary of SRF Global BV)	Manufacture of Tyre cord fabric, Polyester film and metallized Polyester film & trading of chemical products	Thailand	100%	100%
SRF Industex Belting (Pty) Limited (subsidiary of SRF Global BV)	Trading of chemical products	Republic of South Africa	100%	100%

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44 Additional information as required by Paragraph 2 of General Instructions for preparation of consolidated financial statements to the Schedule III to the Companies Act, 2013

	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ Crores)	As % of consolidated Share in profit or loss	Amount (₹ Crores)	As % of consolidated other comprehensive income	Amount (₹ Crores)	As % of total consolidated comprehensive income	Amount (₹ Crores)
I	**Parent - SRF Limited**	95%	3,918.64	81%	517.18	608%	34.30	85%	551.49
II	**Subsidiaries:**								
A	**Indian**								
1	SRF Holiday Home Limited	0%	3.78	0.0%	(0.05)	-	-	-	(0.05)
2	SRF Employees Welfare Trust	0%	*	0.0%	**	-	-	0%	**
B.	**Foreign**								
1	SRF Global BV (Consolidated)	7%	306.56	20%	131.55	-223%	(12.56)	19%	118.98
	Adjustments arising out of consolidation	(2%)	(99.71)	(1%)	(7.05)	(285%)	(16.10)	(4%)	(23.15)
	Total	**100%**	**4,129.27**	**100%**	**641.63**	**100%**	**5.64**	**100%**	**647.27**
	Non-controlling Interests in all subsidiaries	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

* Amount in absolute ₹ 18,383 (Previous year - Nil)

** Amount in absolute ₹ (16,617) (Previous year - Nil)

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45 Additional Disclosures

(a) Research and Development Expenditure

The details of research and development expenditure of ₹ 104.40 Crores (Previous year: ₹ 106.86 Crores) included in notes 4 to 30 above are as under:

	Year ended March 31, 2019	Year ended March 31, 2018
Capital expenditure	4.06	16.03
Revenue expenditure	100.34	90.83
	104.40	**106.86**
The details of revenue expenditure incurred on research and development is as below:		
Cost of material consumed	2.46	1.50
Salaries and wages, including Bonus	34.96	33.29
Contribution to provident and other funds	2.03	2.01
Workmen and staff welfare expenses	3.07	1.93
Stores and spares consumed	8.45	8.07
Power and fuel	7.24	5.13
Rent	1.28	0.35
Repairs and maintenance		
- Buildings	0.01	0.10
- Plant and machinery	9.33	10.41
- Others	1.55	0.55
Insurance	0.38	0.50
Rates and taxes	0.08	0.05
Travelling and conveyance	1.45	1.42
Legal and professional charges	4.13	2.81
Depreciation and amortisation expense	18.60	17.53
Miscellaneous expenses	5.32	5.18
	100.34	**90.83**

(b) Managerial Remuneration

(i) (a) Remuneration to Chairman / Managing Director / Deputy Managing Director / Whole time Director

	Year ended March 31, 2019	Year ended March 31, 2018
Salary and contribution to provident and other funds	7.44	6.74
Value of perquisites	3.53	3.16
Commission	6.50	5.45
SUB-TOTAL	**17.47**	**15.35**

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(All amounts in ₹ Crores, unless otherwise stated)

(b) Remuneration to Non Executive Directors

	Year ended March 31, 2019	Year ended March 31, 2018
Commission	0.50	0.40
Directors sitting fees	0.21	0.19
Other fees	0.13	0.13
SUB-TOTAL	**0.84**	**0.72**
TOTAL	**18.31**	**16.07**

(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, 2019	Year ended March 31, 2018
Property, plant and equipment		
- Roads	0.79	(0.74)
- Buildings	10.55	(9.98)
- Plant and equipment	97.69	(37.36)
- Furniture and fixtures	0.21	(0.22)
- Office equipment	0.06	(0.16)
	109.30	**(48.46)**
Other Intangible Assets		
- Trade marks/ Brands	1.95	0.04
- Technical knowhow	1.14	-
- Others	0.56	-
	3.65	**0.04**

The cumulative exchange loss/ (gain) added/ (adjusted) and remaining unamortised as at March 31, 2019 is ₹ 256.03 Crores (Previous year: ₹ 160.05 Crores).

(d) The Company was required to spend ₹ 10.38 Crores (Previous year: ₹ 9.56 Crores) on corporate social responsibility activities under section 135 of the Companies Act, 2013 out of which ₹ 10.38 Crores (Previous year: ₹ 5.00 Crores) has been spent.

(e) On May 11, 2019, the group has entered into business transfer agreement for sale of its Engineering Plastics Business for a consideration of ₹ 320 Crores (subject to working capital adjustments), upon completion of closing conditions. The statutory and legal formalities are expected to be completed within 6 months from the date of signing. This business was reported under "Others segment".

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration no. 101248W / W-100022

For and on behalf of the Board of Directors

Kaushal Kishore
Partner
Membership No.: 090075

Arun Bharat Ram
Chairman
DIN - 00694766

Ashish Bharat Ram
Managing Director
DIN - 00671567

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557

Rahul Jain
President & CFO

Lakshman Lakshminarayan
Director
DIN - 00012554

Rajat Lakhanpal
Vice President
(Corporate Compliance) and
Company Secretary

Place : Gurugram
Date : May 13, 2019

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

Statement pursuant to first proviso to sub section(3) of section 129 of Companies Act 2013,read with rule 5 of Companies (Accounts) Rules, 2014 in prescribed form AOC-1 relating to subsidiaries/ associates companies/joint ventures

A Statement showing salient features of the financial statements of subsidiaries

Indian Subsidiaries

S. No.	Name of the subsidiary	SRF Holiday Home Limited (₹ Crores)
(a)	Reporting Period	1 April 2018 to 31 March, 2019
(b)	Date since when subsidiary was acquired/ formed	30.01.2008
(c)	Reporting Currency	INR
(d)	Exchange Rate	-
(e)	Share Capital	4.00
(f)	Reserves and Surplus	(0.22)
(g)	Total Assets	3.78
(h)	Total Liabilities(external liabilities)	0.0023
(i)	Investment	-
(j)	Turnover	-
(k)	Profit/(Loss) Before Taxation	(0.05)
(l)	Tax expense / (income)	-
(m)	Profit/(Loss) After Taxation	(0.05)
(n)	Proposed Dividend	-
(o)	% of shareholding	100%

Foreign Subsidiaries

S. No.	Name of the subsidiary	SRF Global BV# (subsidiary of SRF Limited)		SRF Flexipak (South Africa)(Pty) Limited# (subsidiary of SRF Global BV)	
		USD	₹ Crores	Rand	₹ Crores
(a)	Reporting Period	1 April 2018 to 31 March, 2019		1 April 2018 to 31 March, 2019	
(b)	Date since when subsidiary was acquired/formed	20.10.2008		26.10.2011	
(c)	Reporting Currency	USD		Rand	
(d)	Exchange Rate	69.095		4.761	
(e)	Share Capital	1,83,15,664.40	126.55	100.00	0.00
(f)	Reserves and Surplus	(2,17,46,000.00)	(150.25)	6,55,98,033.00	31.23
(g)	Total Assets	6,74,31,000.00	465.91	75,82,91,910.00	361.02
(h)	Total Liabilities(external liabilities)	7,08,61,335.60	489.62	69,26,93,777.00	329.79
(i)	Investment	*	*	-	-
(j)	Turnover	-	-	82,75,18,355.00	393.98
(k)	Profit/(Loss) Before Taxation	(17,19,000.00)	(11.88)	(1,51,23,110.00)	(7.20)
(l)	Tax expense / (income)	-	-	40,98,234.00	1.95
(m)	Profit/(Loss) After Taxation	(17,19,000.00)	(11.88)	(1,10,24,876.00)	(5.25)
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

* Investment in subsidiary USD 9526513 (Equivalent to ₹ 65.82 crores)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

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 2018 to 31 March, 2019		1 April 2018 to 31 March, 2019	
(b)	Date since when subsidiary was acquired/formed	08.09.2008		13.06.2008	
(c)	Reporting Currency	THB		Rand	
(d)	Exchange Rate	2.179		4.761	
(e)	Share Capital	10,00,00,300.00	21.79	1,33,20,202.00	6.34
(f)	Reserves and Surplus	1,21,20,07,640.00	264.10	(4,09,98,728.00)	(19.52)
(g)	Total Assets	3,49,34,58,394.00	761.22	12,62,560.00	0.60
(h)	Total Liabilities(external liabilities)	2,18,14,50,454.00	475.34	2,89,41,086.00	13.78
(i)	Investment	-	-	-	-
(j)	Turnover	3,88,44,41,825.00	846.42	47,07,114.00	2.24
(k)	Profit/(Loss) Before Taxation	46,96,41,747.00	102.33	35,66,522.00	1.70
(l)	Tax expense / (income)	32,29,218.00	0.70	-	-
(m)	Profit/(Loss) After Taxation	46,64,12,529.00	101.63	35,66,522.00	1.70
(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	25 April 2018 to 31 March, 2019	
(b)	Date since when subsidiary was acquired/formed	25.04.2018	
(c)	Reporting Currency	EURO	
(d)	Exchange Rate	77.58	
(e)	Share Capital	10,10,000.00	7.84
(f)	Reserves and Surplus	(1,72,067.00)	(1.33)
(g)	Total Assets	1,25,24,474.00	97.16
(h)	Total Liabilities(external liabilities)	1,16,86,541.00	90.66
(i)	Investment	-	-
(j)	Turnover	-	-
(k)	Profit/(Loss) Before Taxation	(1,72,048.00)	(1.33)
(l)	Tax expense / (income)	19.00	0.00
(m)	Profit/(Loss) After Taxation	(1,72,067.00)	(1.33)
(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 = ₹ 69.10

(ii) 1 Baht = ₹ 2.18

(iii) 1 Rand = ₹ 4.76

(iv) 1 Euro = ₹ 77.58

Notes to the Consolidated Financial Statements

for the year ended March 31, 2019

(All amounts in ₹ Crores, unless otherwise stated)

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	31.03.2018	31.03.2018
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	4221535	50000
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	3.00	11.23
Profit & loss for the year		
(i) Considered in Consolidation	Nil	Nil
(ii) Not considered in Consolidation	(0.40)	4.37

The company has no joint venture

*Investment in both these group captive power companies are held by the company as a consumer in accordance with the requirements of the Electricity Act, 2005. The company does not exercise significant influence as defined under IND AS over these companies and therefore their annual accounts are not consolidated with the annual accounts of the company.

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
DIN - 00694766

Ashish Bharat Ram
Managing Director
DIN - 00671567

Kartik Bharat Ram
Deputy Managing Director
DIN - 00008557

Lakshman Lakshminarayan
Director
DIN - 00012554

Rahul Jain
President & CFO

Rajat Lakhanpal
Vice President (Corporate Compliance) and Company Secretary

Place : Gurugram
Date : May 13, 2019

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
Corp. Office: Block-C, Sector-45, Gurugram-122 003, Haryana
Email: info@srf.com website: www.srf.com
Tel. No: (+91-11) 49482870, (+91-124) 4354400, Fax: (+91-11) 49482900, (+91-124) 4354500

We always find a better way

ADMISSION SLIP

LAXMIPAT SINGHANIA AUDITORIUM, PHD HOUSE,
4/2 SIRI INSTITUTIONAL AREA, AUGUST KRANTI MARG, NEW DELHI-110 016

Monday, 5 August 2019 3.30 P.M.

PARTICULARS TO BE COMPLETED BY SHAREHOLDER/PROXY

I /We hereby record my/our presence at the **48th Annual General Meeting of SRF LIMITED**

DP Id/Client Id/ Registered Folio No...
Name of the Shareholder/Proxy...
No. of shares held... ....
Signature(s) of person(s) attending

Notes:
1. Please produce this admission slip duly completed at the entrance for admission to the meeting hall.
2. The attendance counter will open at 2.30 p.m.
3. Tea, coffee and cold drinks will be served at the meeting.
4. Please bring your copy of the Annual Report to the meeting.

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
Corp. Office: Block-C, Sector-45, Gurugram-122 003, Haryana
Email: info@srf.com website: www.srf.com
Tel. No: (+91-11) 49482870, (+91-124) 4354400, Fax: (+91-11) 49482900, (+91-124) 4354500

We always find a better way

PROXY FORM

(Form No. MGT-11)
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s)		Email Id	
Registered Address		Folio No./ DP ID-Client ID	

I/We being the member(s) holding .... shares of the above named Company hereby appoint :

(1) Name:...Address: ....
Email Id: ....Signature....................... or falling him;

(2) Name:...Address: ....
Email Id: ....Signature....................... or falling him;

(3) Name:..Address: ....

Email Id: ....Signature........................

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 48th Annual General Meeting of **SRF LIMITED** to be held on Monday, 5th August, 2019 at 03.30 p.m. at the Laxmipat Singhania Auditorium, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016 and at any adjournment thereof in respect of such resolutions as are contained in Notice.

Signed this ______________________day of ___________________2019

Affix ₹ 1/- Revenue Stamp

Signature of Shareholder.............................. Signature of Proxy holders (s) ....

Notes:

1. A Proxy in order to be effective must reach the Registered Office of the Company not less than 48 hours before the scheduled time of the meeting
2. The member himself or his constituted attorney may sign the proxy
3. Where a proxy is appointed, the member should hand over the attached admission slip to the proxy
4. The Company reserves the right to ask for identification of the proxy
5. A proxy cannot speak at the meeting or vote on a show of hands.
6. Shareholder may vote either for or against each resolution.

SRF

We always find a better way

Registered Office
Unit Nos. 236 & 237, 2nd Floor, DLF Galleria, Mayur Place,
Noida Link Road, Mayur Vihar Phase - I Extn., Delhi, India - 110 091
Tel.: +91-11- 49482870

Corporate Office
Block - C, Sector - 45, Gurugram, Haryana, India - 122 003
Tel.: +91- 124 - 4354400