INDEPENDENT AUDITORS' REPORT

To the Members of SRF Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of SRF Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

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

The key audit matter	How the matter was addressed in our audit
Accounting for derivatives An important element of Group's fund-raising strategy involves various types of borrowings including foreign currency denominated borrowings and a combination of fixed and floating interest rates, and also foreign currency denominated loans and advances to other parties. The Group's operating activities are also exposed to significant foreign exchange risk (refer to note 40 of the consolidated financial statements). The Group uses derivative financial instruments to mitigate foreign currency risk and interest rate risk primarily through foreign currency forward exchange contracts and interest rate swaps. Further, the Group has been using hedge relationship designation as per criteria set out in relevant Indian accounting standards. Accounting thereof and related presentation and disclosures of these transactions require significant judgement. Given the significant level of judgement and estimation involved and the quantitative significance, we have determined this to be a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • Tested the design, implementation and operating effectiveness of controls over the Group's treasury and other related functions which directly impact the relevant account balances and transactions, including hedge accounting. • For selected samples via statistical routines, obtained external confirmations from counterparties of the year end positions as well as agreed to original agreements. • Performed sample tests of valuation and accounting of these transactions. In doing so we have involved valuation specialists to assist us in carrying out aforesaid procedure, as considered necessary. • Assessed the adequacy of disclosures in the financial statements in respect of both non-derivative and derivative financial instruments.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

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

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

- obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

(a) We did not audit the financial statements of seven subsidiaries, whose financial information reflect total assets of ₹ 3,586.81 crores (before consolidation adjustments) as at 31 March 2021, total revenues of ₹ 1,476.49 crores (before consolidation adjustments) and net cash inflows amounting to ₹ 33.40 crores (before consolidation adjustments) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act; and

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. the consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements.

ii. provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 40 to the consolidated financial statements in respect of such items as it relates to the Group.

iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2021.

iv. the disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

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

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

Kaushal Kishore
Partner
Membership No. 090075
UDIN: 21090075AAAAAK7147

Place: Delhi
Date: 21 May 2021

ANNEXURE A to the Independent Auditors' report on the consolidated financial statements of SRF Limited for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of SRF Limited as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of SRF Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

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

Kaushal Kishore
Partner
Place: Delhi Membership No. 090075
Date: 21 May 2021 UDIN: 21090075AAAAAK7147

CONSOLIDATED BALANCE SHEET

as at March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	7,497.21	6,022.93
Right-of-use assets	43	216.76	227.58
Capital work-in-progress		772.26	1,393.29
Goodwill	5	0.62	0.62
Other intangible assets	6	112.37	116.46
Financial assets			
(i) Investments	7	4.16	4.16
(ii) Loans	8	46.44	43.87
(iii) Other financial assets	10	44.69	15.86
Deferred tax assets	9	18.14	14.26
Non current tax assets (net)	22	33.74	35.03
Other non-current assets	11	244.10	96.50
Total non-current assets		**8,990.49**	**7,970.56**
Current assets			
Inventories	12	1,465.82	1,201.23
Financial assets			
(i) Investments	7	412.52	198.50
(ii) Trade receivables	13	1,274.56	891.07
(iii) Cash and cash equivalents	14	138.29	116.44
(iv) Bank balances other than above	15	143.71	9.03
(v) Loans	8	11.21	25.17
(vi) Other financial assets	10	225.85	170.38
Current tax assets (net)	22	-	1.74
Other current assets	11	266.96	280.80
Total current assets		**3,938.92**	**2,894.36**
Assets classified as held for sale	42	**-**	**11.84**
TOTAL ASSETS		**12,929.41**	**10,876.76**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	60.26	58.50
Other equity	17	6,796.16	4,874.82
Total equity		**6,856.42**	**4,933.32**

CONSOLIDATED BALANCE SHEET (CONTD.)

as at March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	1,965.01	2,311.63
(ii) Lease liabilities	43	63.83	73.98
(iii) Other financial liabilities	21	0.54	22.87
Provisions	19	43.55	37.53
Deferred tax liabilities (net)	9	386.16	175.50
Other non-current liabilities	23	42.77	14.00
Total non-current liabilities		**2,501.86**	**2,635.51**
Current liabilities			
Financial liabilities			
(i) Borrowings	18	965.70	955.44
(ii) Lease liabilities	43	13.80	13.71
(iii) Trade payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		33.37	30.36
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,551.82	1,081.33
(iv) Other financial liabilities	21	892.54	1,124.54
Other current liabilities	23	92.73	86.18
Provisions	19	8.68	6.62
Current tax liabilities (Net)	22	12.49	9.75
Total current liabilities		**3,571.13**	**3,307.93**
Total Liabilities		**6,072.99**	**5,943.44**
TOTAL EQUITY AND LIABILITIES		**12,929.41**	**10,876.76**
Summary of significant accounting policies	1-3		
See accompanying notes to the consolidated financial statements	4 to 46		

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

Kaushal Kishore
Partner
Membership No.: 090075
Place : Delhi
Date : May 21, 2021

For and on behalf of the Board of Directors

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

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

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram
Date : May 05, 2021

Rahul Jain
President & CFO
Place : Gurugram
Date : May 05, 2021

Rajat Lakhanpal
Vice President
(Corporate Compliance) and
Company Secretary
Place : Delhi
Date : May 05, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue from operations	24	8,400.04	7,209.41
II	Other income	25	66.35	49.05
III	**Total Income (I + II)**		**8,466.39**	**7,258.46**
IV	**Expenses**			
	Cost of materials consumed	26.1	4,027.68	3,687.39
	Purchases of stock-in-trade	26.2	62.92	91.40
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	26.3	(71.66)	(91.82)
	Employee benefits expense	27	621.40	541.92
	Finance costs	28	133.95	200.68
	Depreciation and amortisation expense	29	453.08	388.61
	Other expenses	30	1,626.37	1,525.58
	Total Expenses (IV)		**6,853.74**	**6,343.76**
V	**Profit before tax from continuing operations (III - IV)**		**1,612.65**	**914.70**
VI	**Tax expense related to continuing operations**	31		
	Current tax		357.99	104.26
	Deferred tax			
	MAT credit entitlement		(5.38)	(36.73)
	Others		61.79	(68.73)
	Total tax expense related to continuing operations		**414.40**	**(1.20)**
VII	**Profit for the year from continuing operations (V - VI)**		**1,198.25**	**915.90**
VIII	**Profit before tax from discontinued operations**	42	**(2.73)**	**155.85**
IX	**Tax expense of discontinued operations**	31	(2.42)	52.66
X	**Profit for the year from discontinued operations (VIII - IX)**		**(0.31)**	**103.19**
XI	**Total Profit for the year (VII + X)**		**1,197.94**	**1,019.09**
XII	**Other comprehensive income**			
	A Items that will not be reclassified to profit or loss			
	(i) - Remeasurements of the defined benefit plans	17.2, 36.2	2.68	(8.25)
	Income tax on item (i) above	17.2, 32	(0.84)	2.86
	B Items that will be reclassified to profit or loss			
	(i) - Exchange differences on translation of foreign operations	17.9	36.44	(10.67)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (CONTD.)

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
	(ii) - Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	17.3	132.33	(160.53)
	Income tax on item (ii) above	32	(46.24)	57.58
	(iii) - Cost of hedging reserve	17.4	3.46	-
	Income tax on item (iii) above		(0.33)	-
	Total other comprehensive income for the year, net of taxes (A(i) + B(i+ii+iii))		**127.50**	**(119.01)**
XIII	**Total comprehensive income for the year (XI + XII)**		**1,325.44**	**900.08**
	Basic and Diluted earning per equity share in ₹	39		
	From continuing operations		205.59	159.34
	From discontinued operations		(0.05)	17.95
	From continuing and discontinued operations		205.54	177.29

Summary of significant accounting policies 1-3

See accompanying notes to the consolidated financial statements 4-46

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

Kaushal Kishore
Partner
Membership No.: 090075
Place : Delhi
Date : May 21, 2021

For and on behalf of the Board of Directors

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

Kartik Bharat Ram
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DIN - 00008557
Place : Delhi
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Place : Gurugram
Date : May 05, 2021

Rahul Jain
President & CFO
Place : Gurugram
Date : May 05, 2021

Rajat Lakhanpal
Vice President
(Corporate Compliance) and Company Secretary
Place : Delhi
Date : May 05, 2021

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax		
- Continuing Operations	1,612.65	914.70
- Discontinued Operations	(2.73)	155.85
Adjustments for:		
Finance costs	134.01	201.56
Interest income	(9.02)	(15.11)
Net (gain) / loss on sale of property, plant and equipment	(5.99)	(12.76)
Net gain on financial assets measured at fair value through profit and loss	(25.45)	(9.38)
Credit impaired assets provided / written off	11.94	2.18
Amortisation of grant income	(1.38)	(3.37)
Depreciation and amortisation expense	453.08	392.90
Property, plant and equipment and inventory discarded / provided	3.40	74.58
Provision / liabilities no longer required written back	(11.99)	(4.47)
Net unrealised currency exchange fluctuations loss /(gain)	(9.05)	7.15
Profit on sale of business	-	(233.74)
Employee share based payment expense	0.97	0.97
Stamp duty on purchase of investments	0.15	-
Adjustments for (increase) /decrease in operating assets :-		
Trade receivables	(400.10)	140.75
Inventories	(259.83)	5.26
Loans (current)	15.84	(19.38)
Loans (non-current)	(2.58)	(9.84)
Other assets (current)	20.93	132.80
Other assets (non-current)	(1.99)	10.10
Adjustments for increase / (decrease) in operating liabilities :-		
Trade payables	480.23	(272.01)
Provisions	7.46	(1.34)
Other liabilities (non-current)	-	(0.17)
Other liabilities (current)	16.44	(10.08)
Cash generated from operations	**2,026.99**	**1,447.15**
Income taxes paid (net of refunds)	(255.31)	(142.71)
Net cash generated from operating activities	**1,771.68**	**1,304.44**
B CASH FLOW FROM INVESTING ACTIVITIES		
Net Proceeds/ (purchases) of mutual funds	(188.57)	(88.63)
Stamp duty on purchase of investments	(0.15)	-
Purchase of current investments (others)	-	(4.05)
Proceeds from sale of business	-	315.77
Costs incurred on sale of business	-	(5.71)
Income tax paid on profit from sale of business	-	(40.84)
Interest received	0.09	15.56
Bank balances not considered as cash and cash equivalents	(134.52)	0.52
Payment for purchase of property, plant, equipment, capital work-in-progress and intangible assets	(1,214.35)	(1,389.16)
Proceeds from disposal of property, plant and equipment	9.66	16.21
Grant Received from Government of Republic of Hungary	28.16	-
Net cash used in investing activities	**(1,499.68)**	**(1,180.33)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	750.00	-
Cost incurred on issue of shares	(11.99)	
Proceeds from borrowings (Non-current)	1,304.84	1,277.92
Repayment of borrowings (Non-current)	(1,990.41)	(957.47)
Net proceeds / (repayment) from borrowings (Current)	14.78	(199.75)
Dividends on equity share capital paid	(140.78)	(80.32)
Corporate dividend tax paid	-	(16.54)
Payment towards lease liability	(20.19)	(18.87)
Finance costs paid	(157.36)	(203.96)
Net cash (used in) / generated from financing activities	**(251.11)**	**(198.99)**

CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
D EFFECT OF EXCHANGE RATE CHANGES	**0.96**	**1.77**
Net movement in cash and cash equivalents	**21.85**	**(73.11)**
Cash and cash equivalents at the beginning of the year	116.44	189.55
Cash and cash equivalents at the end of the year (Refer to note 14)	**138.29**	**116.44**

Notes:

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

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

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

(iv) The following table discloses changes in liabilities arising from historical activities including both cash and non cash changes.

Particulars	As at March 31, 2020	Cash flow from financing activities	Non-cash changes					As at March 31, 2021
			Upfront fees amortised	Exchange fluctuation changes#	Finance cost#	Interim dividend declared	Lease liability recognised	
Equity share capital	58.50	1.76	-	-	-	-	-	60.26
Security Premium (net of issue expenses)	-	736.25	-	-	-	-	-	736.25
Non current borrowings*	3,091.38	(685.57)	4.34	15.11	-	-	-	2,425.26
Current borrowings	955.44	14.78	-	(4.52)	-	-	-	965.70
Interest accrued	29.14	(157.36)	-	-	134.01	-	-	5.79
Lease liability	87.70	(20.19)	-	-	6.49	-	3.63	77.63
Dividend and taxes thereon	6.04	(140.78)	-	-	-	141.31	-	6.57
Total	**4,228.20**	**(251.11)**	**4.34**	**10.59**	**140.50**	**141.31**	**3.63**	**4,277.46**

Particulars	As at March 31, 2019	Cash flow from financing activities	Non-cash changes				Lease liability recognised	As at March 31, 2020
			Upfront fees amortised	Exchange fluctuation changes#	Finance cost#	Interim dividend declared^		
Equity share capital	58.50	-	-	-	-	-	-	58.50
Non current borrowings*	2,602.80	320.45	3.42	164.71	-	-	-	3,091.38
Current borrowings	1,127.39	(199.75)	-	27.80	-	-	-	955.44
Interest accrued	31.54	(203.96)	-	-	201.56	-	-	29.14
Lease liability	-	(18.87)		-	6.70		99.87	87.70
Dividend and taxes thereon	5.89	(96.86)	-	-	-	97.01	-	6.04
Total	**3,826.12**	**(198.99)**	**3.42**	**192.51**	**208.26**	**97.01**	**99.87**	**4,228.20**

*including current maturity of long term debts

^Including taxes on dividend

#including amount capitalized

Summary of significant accounting policies — 1 to 3

See accompanying notes to the consolidated financial statements — 4 to 46

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

Kaushal Kishore
Partner
Membership No.: 090075
Place : Delhi
Date : May 21, 2021

For and on behalf of the Board of Directors

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

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

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram
Date : May 05, 2021

Rahul Jain
President & CFO
Place : Gurugram
Date : May 05, 2021

Rajat Lakhanpal
Vice President
(Corporate Compliance) and Company Secretary
Place : Delhi
Date : May 05, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at March 31, 2019	58.50
Changes in equity share capital during the year	-
Balance at March 31, 2020	**58.50**
Changes in equity share capital during the year	1.76
Balance at March 31, 2021	**60.26**

(b) Other Equity

	Reserves and Surplus*							Items of other comprehensive income*			
	Capital reserve	General reserve	Capital redemption reserve	Debenture redemption reserve	Securities Premium	Employee share based payment reserve	Retained earnings	Foreign currency translation reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedge	Cost of hedging reserve
Balance at March 31, 2019	193.77	573.77	10.48	75.00	-	0.58	3,201.00	(4.00)	(4.22)	24.39	-
Profit for the year	-	-	-	-	-	-	1,019.09	-	-	-	
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(5.39)	(10.67)	-	(102.95)	
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,013.70**	**(10.67)**	**-**	**(102.95)**	**-**
Payment of dividend (₹14 per share)	-	-	-	-	-	-	(80.47)	-	-	-	
Tax on Dividend	-	-	-	-	-	-	(16.54)	-	-	-	
Transfer from Debenture redemption reserve		-		-	-	-					
Employee share based payments to employees	-		-	-	-	0.98	-	-	-	-	
Balance at March 31, 2020	**193.77**	**573.77**	**10.48**	**75.00**	**-**	**1.56**	**4,117.69**	**(14.67)**	**(4.22)**	**(78.56)**	**-**
Profit for the year	-	-	-	-		-	1,197.94	-	-	-	
Other comprehensive income for the year, net of income tax	-	-	-	-		-	1.84	36.44	-	86.09	3.13
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,199.78**	**36.44**	**-**	**86.09**	**3.13**
Payment of dividend (₹ 24 per share)	-	-	-	-	-	-	(141.31)	-	-	-	
Tax on Dividend	-	-	-	-	-		-	-	-	-	
Employee share based payments to employees	-	-	-	-	-	0.96	-	-	-	-	
Transfer from Debenture redemption reserve	-	75.00	-	(75.00)	-	-	-	-	-	-	
Transfer to Debenture redemption reserve	-	-	-	62.50	-	-	(62.50)	-	-	-	
Premium on issue of equity shares (net of issue expenses)^	-	-	-	-	736.25						
Balance at March 31, 2021	**193.77**	**648.77**	**10.48**	**62.50**	**736.25**	**2.52**	**5,113.66**	**21.77**	**(4.22)**	**7.53**	**3.13**

*Refer note 17
^Refer note 16.1

Summary of significant accounting policies 1 to 3
See accompanying notes to the consolidated financial statements 4 to 46

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

Kaushal Kishore
Partner
Membership No.: 090075
Place : Delhi
Date : May 21, 2021

For and on behalf of the Board of Directors

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

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Deputy Managing Director
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Place : Delhi
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President & CFO
Place : Gurugram
Date : May 05, 2021

Rajat Lakhanpal
Vice President
(Corporate Compliance) and Company Secretary
Place : Delhi
Date : May 05, 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

1. Corporate Information

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

The principal activities of the Company and its subsidiaries (together the Group) are manufacturing, purchase and sale of technical textiles, chemicals, packaging films and other polymers.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 05, 2021.

2. Significant Accounting Policies

2.1 Basis of Preparation

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

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

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

The functional currency of the Company is 'INR'. The functional currencies of Group companies are USD, THB, ZAR and EURO. The financial statements are presented in INR and all values are rounded to the nearest crores, except when otherwise indicated.

The consolidated financial statements incorporate the financial statements of the holding group and its subsidiaries. Control is achieved when the group :

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the group gains control until the date when the group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Necessary adjustments are made in the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies if any.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(All amounts in ₹ Crores, unless otherwise stated)

The subsidiaries considered in the preparation of these consolidated financial statements are:

Name of subsidiary	Country of incorporation	Proportion of ownership as at March 31, 2021	Proportion of ownership as at March 31, 2020
Indian Subsidiaries			
SRF Holiday Home Limited	India	100%	100%
SRF Employees Welfare Trust (Controlled Trust)	India	*	*
Foreign Subsidiaries			
SRF Global BV	Netherlands	100%	100%
SRF Europe Kft (100% subsidiary of SRF Global BV)	Hungary	100%	100%
SRF Industries (Thailand) Limited (100% subsidiary of SRF Global BV)	Thailand	100%	100%
SRF Industex Belting (Pty) Limited (100% subsidiary of SRF Global BV)	Republic of South Africa	100%	100%
SRF Flexipak (South Africa) (Pty) Limited (100% subsidiary of SRF Global BV)	Republic of South Africa	100%	100%

*By virtue of management control

The group owns 22.60% (Previous year – 22.60%) in Malanpur Captive Power Limited and the same has not been considered for the purposes of consolidation, since the group does not exercise significant influence over Malanpur Captive Power Limited.

The group owns 26.32% (Previous year – 26.32%) in Vaayu Renewable Energy (Tapti) Private Limited and the same has not been considered for the purposes of consolidation, since the group does not exercise significant influence over Vaayu Renewable Energy (Tapti) Private Limited.

The principal accounting policies are set out below.

2.2 Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The group classifies all other liabilities as non-current.

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

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

2.3 Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

All items of property plant and equipment have been measured at fair value at the date of transition to Ind AS. The Group have opted such fair valuation as deemed cost at the transition date i.e. April 1, 2015.

Cost of acquisition or construction is inclusive of freight, duties, non recoverable taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets, upto the date of commissioning of the assets

Likewise, when a major inspection for faults is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items of property, plant and equipment and depreciated accordingly.

Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Capital Work in Progress: Project under which assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the group intends to use these for more than a period of 12 months.

2.4 Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation has been provided on the cost of assets less their residual values on straight line method on the basis of estimated useful life of assets determined by the Group which are different from the useful life as prescribed in Schedule II of the 2013 Act. The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. and are as under:

Roads	40-50 years
Buildings (including temporary structures)	5-60 years
Plant and equipment	2-40 years
Furniture and fixtures	3-20 years
Office equipment	3-20 years
Vehicles	4-5 years

Freehold land is not depreciated.

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

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

(All amounts in ₹ Crores, unless otherwise stated)

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives considered are as follows:

Trademarks / Brand	10-30 years
Technical Knowhow	30-40 years
Software	3 years
Other intangibles	2.5-8 years

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

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

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

2.6 Research and development expenditure

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

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

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

2.7 Goodwill

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

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

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

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

2.8 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

The Group bases its impairment calculation on detailed budgets and forecast, which are prepared separately for each of the group's CGU's to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 5 years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after 5th year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

2.9 Leasing

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assess whether:

– the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

– the Group has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and

– the Group has the right to direct the use of the asset. The Group has this right when it has the decision- making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Group as lessee

The Group accounts for assets taken under lease arrangement in the following manner:

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the basis of remaining lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Group's estimate of the amount expected to be payable

under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term.

2.10 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs incurred for the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

In case of a specific borrowing taken for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised shall be the actual borrowing costs incurred during the period less any interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset.

In case funds are borrowed generally and such funds are used for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised are calculated by applying the weighted average capitalisation rate on general borrowings outstanding during the period, to the expenditures incurred on the qualifying asset.

If any specific borrowing remains outstanding after the related asset is ready for its intended use, that borrowing is considered part of the funds that are borrowed generally for calculating the capitalisation rate.

2.11 Foreign Currencies

Transaction and balances

Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

(i) Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to exchange differences arising from cash flow hedges to the extent that the hedges are effective and those covered below.

(ii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016

Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance useful life of the assets.

(iii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is treated in accordance with Ind AS 21/ Ind AS 109. Refer point (i) above.

2.12 Inventories

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

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

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

(c) By products - At estimated realisable value

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

2.13 Provisions, contingent liabilities and contingent assets

Provisions

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

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

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

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

Contingent liabilities

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

Contingent assets

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an

inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.14 Revenue recognition

a) Sale of goods

Revenue from sale of products is recognised upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers. Service income is recognised as and when the underlying services are performed. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

Revenues are measured based on the transaction price, which is the consideration, net of tax collected from customers and remitted to government authorities such as sales tax/value added tax and goods and services tax and applicable discounts and allowances.

Any fees including upfront fees received in relation to contract manufacturing arrangements is recognised on straight line basis over the period over which the Group satisfies the underlying performance obligations. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash as per contractual terms. Advance from customers ("contract liability") is recognised when the group has received consideration from the customer before it delivers the goods.

b) Interest and dividend income

Interest income is recognised when it is probable that the economic benefits will flow to the group using the effective interest rate and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably).

c) Export incentive

The benefit accrued under the Duty Drawback scheme and other schemes as per the Export and Import Policy in respect of exports made under the said Schemes is included under the head "Revenue from Operations" under 'Export and other incentives'. Also refer policy on "Government Grants"

2.15 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

a) Current tax

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

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

b) Deferred tax

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the group has a legally enforceable right for such set off.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax relating to items recognised outside profit or loss is recognised in other comprehensive income or in equity.

Deferred tax assets/liabilities are not recognised for below mentioned temporary differences:

(i) At the time of initial recognition of goodwill;

(ii) Initial recognition of assets or liabilities (other than in a business combination) at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

(iii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the group will pay normal income tax. Accordingly, MAT asset is recognised in the consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the group.

The group considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the group concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the group determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. However, if the group concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the group reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

2.16 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

A government grant that becomes receivable as compensation for expenses or losses incurred in a previous period. Such a grant is recognised in profit or loss of the period in which it becomes receivable.

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

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

2.17 Employee benefits

Short term employee benefits

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

Defined contribution plans

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

Defined benefit plans

The group has defined benefit plan such as gratuity, provident fund for certain category of employees administered through a recognised provident fund trust and legal severance plans.

Provision for gratuity, provident fund for certain category of employees administered through a recognised provident fund trust and legal severance plans are determined on an actuarial basis at the end of the year and charged to consolidated statement of profit and loss, other than remeasurements. The cost of providing these benefits is determined using the projected unit credit method.

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

Other long term employee benefits

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

Share based payments

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

2.18 Earnings per share

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

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

2.19 Cash and cash equivalents

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

2.20 Financial instruments

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

A) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

a) At amortised cost

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

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

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

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

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

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

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

Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are measured at fair value through profit and loss.

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

The group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

Derecognition

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

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

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

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

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

When the group has retained substantially all the risks and rewards of ownership of the transferred asset, the group continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received.

Impairment of financial assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

B **Financial liabilities and Equity instruments**

Initial recognition and measurement

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

The group's financial liabilities include borrowings and trade and other payables including derivative financial instruments.

Subsequent measurement

Borrowings

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

Trade and other payables

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

Offsetting of financial instruments

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Equity Instruments

Equity Instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Debt or equity instruments issued by the group are classified as either financial liability or as equity in accordance with the substance of contractual arrangements and the definitions of a financial liabilities and an equity instruments.

2.21 Derivative and Non Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The group uses derivative financial instruments (such as forward currency contracts, interest rate swaps and full currency swaps) or non derivative financial assets/liabilities to hedge its foreign currency risks and interest rate risks. The group has opted for "Hedge Accounting" for all its derivative as well as non-derivative financial instrument used for hedging. Accordingly, at the inception of the hedge the group formally designates a hedge relationship between the 'hedging instrument' and 'hedged item' which determines the initial recognition of the financial instrument as Fair Value Hedge or Cashflow hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. These financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit and loss when the hedge item affects profit and loss.

For the purpose of hedge accounting, hedges are classified as:

a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.

b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

   Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the consolidated statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in consolidated profit and loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the consolidated statement of profit and loss. In some cases, the group separates the premium element and the spot element of a forward contract and designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. In such cases, the changes in the fair value of the premium element of the forward contract or the foreign currency basis spread of the financial instrument is accumulated in a separate component of equity as 'cost of hedging'. The changes in the fair value of such premium element or foreign currency basis spread are reclassified to profit or loss as a reclassification adjustment on a straight-line basis over the period of the forward contract or the financial instrument.

The Group also designates certain non derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for the hedge of foreign currency risk associated with highly probable transactions and, accordingly, applies cash flow hedge accounting for such relationships.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, the hedge accounting will be discontinued prospectively. Any cumulative gain or loss previously recognised in other comprehensive income remains separately in other equity if the forecast transaction or the foreign currency firm commitment is expected to occur else the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

2.22 Fair value measurement

The group measures some of its financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1– Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

b) Level 2– inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

c) Level 3- inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.23 Foreign Currency translation reserve

On consolidation, the assets and liabilities of foreign operations are translated into Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

2.24 Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

2.25 Dividend

The group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.26 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The appropriate level of management must be committed to a plan to sell, an active programme to locate a buyer and complete the plan has been initiated, the sale is considered highly probable and is expected within one year from the date of classification.

Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other assets and liabilities in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale, and:

a) Represents a separate major line of business or geographical area of operations,

b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or

c) Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented separately in the statement of profit and loss.

2.27 Recent Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards.

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law

3. Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes.

- Classification and lease term determination of leasing arrangement – Note 2.9
- Derecognition of trade receivables and hedge effectiveness- Note 2.20
- Fair value measurement of derivative instruments – Note 2.22
- Assessment of useful life of property, plant and equipment and intangible asset – Note 2.4
- Recognition and estimation of tax expense including determination of applicable tax rate for measuring deferred tax balances– Note 2.15
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 2.17
- Assessment of impairment of financial assets and non-financial assets – Note 2.20 and Note 2.8
- Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 2.13

4. Property, Plant and Equipment

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Cost								
Balance at March 31,2019	357.91	63.99	844.67	5,271.30	27.27	58.21	39.94	**6,663.29**
Additions/adjustments	26.16	11.68	44.50	910.77	2.70	8.90	9.35	**1,014.06**
Disposals/adjustments	(1.32)	(0.99)	(48.37)	(93.83)	(0.83)	(2.62)	(7.62)	**(155.58)**
Effect of foreign currency exchange differences	0.19	(0.46)	(4.52)	(6.14)	(0.13)	(0.19)	0.03	**(11.22)**
Balance at March 31,2020	**382.94**	**74.22**	**836.28**	**6,082.10**	**29.01**	**64.30**	**41.70**	**7,510.55**
Additions/adjustments	0.99	23.36	367.86	1,458.06	4.35	10.58	6.59	**1,871.79**
Disposals/adjustments	-	(0.45)	(6.29)	(24.63)	(0.32)	(2.44)	(3.99)	**(38.12)**
Effect of foreign currency exchange differences	3.37	1.13	15.79	51.63	0.34	0.70	0.01	**72.97**
Balance at March 31,2021	**387.30**	**98.26**	**1,213.64**	**7,567.16**	**33.38**	**73.14**	**44.31**	**9,417.19**
Accumulated depreciation								
Balance at March 31,2019	-	5.86	92.28	1,013.23	9.04	28.64	17.79	**1,166.84**
Depreciation expenses								
- Continuing operations	-	2.26	23.23	320.83	2.27	8.09	7.71	**364.39**
- Discontinued operations	-	-	1.70	1.90	0.01	0.62	0.04	**4.27**
Disposals/adjustments	-	(0.36)	(14.49)	(24.46)	(0.19)	(2.07)	(4.75)	**(46.32)**
Effect of foreign currency exchange differences	-	(0.02)	(0.20)	(1.23)	(0.00)	(0.13)	0.02	**(1.56)**
Balance at March 31,2020	**-**	**7.74**	**102.52**	**1,310.27**	**11.13**	**35.15**	**20.81**	**1,487.62**
Depreciation expenses	-							
- Continuing operations	-	2.14	29.68	377.63	2.42	7.55	7.36	**426.78**
- Discontinued operations	-	-	-	-	-	-	-	**-**
Disposals/adjustments	-	-	(0.03)	(2.70)	(0.14)	(1.25)	(2.76)	**(6.88)**
Effect of foreign currency exchange differences	-	0.11	1.78	10.05	0.13	0.21	0.18	**12.46**
Balance at March 31,2021	**-**	**9.99**	**133.95**	**1,695.25**	**13.54**	**41.66**	**25.59**	**1,919.98**

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Net block								
Balance at March 31,2020	**382.94**	**66.48**	**733.75**	**4,771.84**	**17.88**	**29.15**	**20.89**	**6,022.93**
Balance at March 31, 2021	**387.30**	**88.27**	**1,079.69**	**5,871.91**	**19.84**	**31.48**	**18.72**	**7,497.21**

Notes:

(i) Borrowing cost capitalised during the year ₹ 13.07 crores (Previous year: ₹ 24.30 Crores) with a capitalisation rate ranging from 0.5% to 8.09% (Previous year: 0.55% to 9.45%).

(ii) Out of the Industrial Freehold land measuring 32.41 acres at the group's plant in Gummidipoondi, the group does not have clear title to 2.43 acres.

(iii) Capital expenditure incurred during the year includes ₹ 13.46 crores (Previous year - ₹ 33.09 crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 46 (a) below.

(iv) Refer to note 18.1 for information on PPE pledged as security by the group. Additionally, non funded working capital facilities from banks amounting to ₹ 58.50 crores (previous year : Nil) are secured by hypothecation of CPP and HFC134A plant situated at Dahej in state of Gujarat.

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

(vi) The group accounts for all capitalizations of property, plant and equipment through capital work in progress, and, therefore, the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted in additions to property, plant and equipment and intangible assets.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

5. Goodwill

Cost	Amount
Balance at March 31, 2019	4.91
Additions	-
Disposals	(0.79)
Balance at March 31, 2020	**4.12**
Additions	-
Disposals	-
Balance at March 31, 2021	**4.12**

Accumulated impairment losses	Amount
Balance at March 31, 2019	0.83
Additions	2.67
Balance at March 31, 2020	**3.50**
Additions	-
Balance at March 31, 2021	**3.50**

Carrying Amount	As at March 31, 2021	As at March 31, 2020
Industrial yarn unit	0.62	0.62
	0.62	**0.62**

The group has allocated goodwill to the above mentioned cash generating units(CGU) and determined recoverable amount of this allocated goodwill using cash flow projections based on financial budget as approved by the directors of the Company.

SRF Industries(Thailand) Limited closed its Technical Textiles Business operations located at Rayong, Thailand, thus corresponding goodwill of ₹ 2.67 crores has been written off in the statement of consolidated profit and loss in the previous financial year. (Also refer note 42)

6. Other Intangible Assets

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at March 31, 2019	77.20	45.67	26.71	19.30	168.88
Additions / adjustments	0.33	10.51	4.39	0.09	15.32
Disposals / adjustments	-	(0.99)	(0.35)	-	(1.34)
Balance at March 31, 2020	**77.53**	**55.19**	**30.75**	**19.39**	**182.86**
Additions / adjustments	-	-	4.19	-	4.19
Disposals / adjustments	-	-	-	-	-
Balance at March 31, 2021	**77.53**	**55.19**	**34.94**	**19.39**	**187.05**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Accumulated amortisation					
Balance at March 31, 2019	14.15	5.23	22.24	18.40	60.02
Amortisation expenses					
- Continuing operations	2.61	1.71	3.06	0.10	7.48
- Discontinued operations	-	-	0.02	-	0.02
Disposals / adjustments	-	(0.99)	(0.13)	-	(1.12)
Balance at March 31, 2020	**16.76**	**5.95**	**25.19**	**18.50**	**66.40**
Amortisation expenses					
- Continuing operations	2.45	1.70	4.04	0.05	8.24
- Discontinued operations	-	-	-	-	-
Effects of foreign currency exchange differences	-	-	0.04	-	0.04
Balance at March 31, 2021	**19.21**	**7.65**	**29.27**	**18.55**	**74.68**
Carrying Amount					
Balance at March 31, 2020	**60.77**	**49.24**	**5.56**	**0.89**	**116.46**
Balance at March 31, 2021	**58.32**	**47.54**	**5.67**	**0.84**	**112.37**

Notes:

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

(ii) Disposals/adjustments during the previous year pertains to intangible assets of discontinued operations. Refer note 42 below.

7. Investments

	As at March 31, 2021	As at March 31, 2020
Non-current		
Investment in equity instruments	4.16	4.16
	4.16	**4.16**
Aggregate book value of unquoted investments	4.16	4.16
Aggregate amount of impairment in value of investments	4.34	4.34
Current		
Investment in mutual funds	197.16	198.50
Investment in bonds/Debentures	215.36	-
	412.52	**198.50**
Aggregate book value and market value of quoted investments	215.36	-
Aggregate book value and market value of unquoted investments	197.16	198.50

7.1 Investment in equity instruments (at fair value through other comprehensive income)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	42,21,535	4.22	42,21,535	4.22
Less: impairment in value of investments		(4.22)		(4.22)
Equity Share of ₹ 10 each fully paid of Vaayu Renewable Energy (Tapti) Private Limited	50,000	0.05	50,000	0.05
Equity Shares of ₹ 10 each fully paid of Suryadev Alloys & Power Private Limited	13,54,000	4.11	13,54,000	4.11
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	6,70,000	0.12	6,70,000	0.12
Less: impairment in value of investments	-	(0.12)	-	(0.12)
		4.16		**4.16**

7.2 Investment in mutual funds (at fair value through profit and loss)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Unquoted investments (Current)				
ICICI Prudential P1543 Saving Fund-Growth Plan	36,12,365	117.16	36,12,365	108.44
ICICI Prudential P3223 Overnight Fund-Growth Plan	-	-	27,93,962	30.06
UTI Overnight Fund - Regular Growth Plan	-	-	2,21,205	60.00
Axis Overnight Fund- Regular Growth Plan	2,76,009	30.00	-	-
SBI Liquid Fund L72SG Regular Growth Plan	1,56,109	50.00	-	-
		197.16		**198.50**

7.3 Investment in Bonds/Debentures (at fair value through profit and loss)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Quoted investments (Current)				
Debentures				
Non convertible debentures of Shriram Transport Finance Company Limited 2021 of ₹ 10,00,000 each	250.00	32.11	-	-
7.35% non convertible debentures of NIIF Infrastructure Finance Limited of ₹ 10,00,000 each	250.00	25.43	-	-
Non convertible debentures of Tata Capital Financial Services Limited of ₹ 10,00,000 each	30.00	3.56	-	-

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

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Bonds				
8.85% HDFC Bank Limited Perpetual Bonds 2022 of ₹ 10,00,000 each	500.00	51.00	-	-
8.99% Bank of Baroda Perpetual Bonds 2024 of ₹ 10,00,000 each	500.00	51.02	-	-
9.56% State Bank of India Perpetual Bonds 2023 of ₹ 10,00,000 each	500.00	52.24	-	-
		215.36		**-**

8. Loans

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Loans to employees	10.56	9.96
Security deposits		
Related parties (Refer note 35)	3.54	3.54
Other than related parties	32.34	30.37
	46.44	**43.87**
Current		
Loans to employees	7.69	6.88
Security deposits		
Other than related parties	3.52	18.29
Others		
Credit impaired	2.74	2.74
Less : Provision for credit impaired loans	(2.74)	(2.74)
	11.21	**25.17**

9. Deferred Tax (NET)

The following is the analysis of deferred tax assets (liabilities) presented in balance sheet.

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	331.70	469.92
Deferred tax liabilities	(699.72)	(631.16)
Deferred tax liabilities, net	**(368.02)**	**(161.24)**
Net Deferred tax assets after set off	**18.14**	**14.26**
Net Deferred tax liabilities after set off	**386.16**	**175.50**

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(All amounts in ₹ Crores, unless otherwise stated)

The major components of deferred tax assets/(liabilities) arising on account of temporary differences are as follows:

2020-21	Opening balance	Recognised in statement of profit and loss		MAT Credit Entitlement utilised	Recognised in other comprehensive income	Foreign currency translation reserve for the year	Closing Balance
		Continuing operations	Discontinued operations				
Deferred tax assets							
Expenses deductible in future years	27.70	(6.01)	-	-	-	1.80	23.49
Provision for credit impaired loans / receivables	0.90	0.37	-	-	-	(0.01)	1.26
MAT Credit Entitlement	367.07	5.38	-	(97.79)	-	-	274.66
Cash flow hedges	42.29	-	-	-	(42.29)	-	-
Unabsorbed carried forward losses	22.98	(1.91)	2.42	-	-	0.46	23.95
Others	8.98	(1.40)	-	-	-	0.76	8.34
	469.92	**(3.57)**	**2.42**	**(97.79)**	**(42.29)**	**3.01**	**331.70**
Deferred tax liabilities							
Property plant and equipment and intangible assets	(617.02)	(54.82)	-	-	-	(11.44)	(683.28)
Investment in mutual funds	(7.95)	(2.90)	-	-	-	-	(10.85)
Cash flow hedges	-	-	-	-	(4.28)	-	(4.28)
Others	(6.19)	4.88	-	-	-	-	(1.31)
	(631.16)	**(52.84)**	**-**	**-**	**(4.28)**	**(11.44)**	**(699.72)**
Total	**(161.24)**	**(56.41)**	**2.42**	**(97.79)**	**(46.57)**	**(8.43)**	**(368.02)**

2019-20	Opening balance	Recognised in statement of profit and loss		MAT Credit Entitlement utilised	Recognised in other comprehensive income	Foreign currency translation reserve for the year	Closing Balance
		Continuing operations	Discontinued operations				
Deferred tax assets							
Expenses deductible in future years	30.49	(1.07)	-	-	-	(1.72)	27.70
Provision for credit impaired loans / receivables	0.80	0.10	-	-	-	-	0.90
MAT Credit Entitlement	330.34	36.73	-	-		-	367.07
Cash flow hedges	-	-	-	-	42.29	-	42.29
Unabsorbed carried forward losses	10.62	3.98	8.57	-	-	(0.19)	22.98
Others	8.22	(1.54)	-	-	2.86	(0.56)	8.98
	380.47	**38.20**	**8.57**	**-**	**45.15**	**(2.47)**	**469.92**
Deferred tax liabilities							
Property plant and equipment and intangible assets	(697.77)	72.01	-	-	-	8.74	(617.02)
Investment in mutual funds	(8.24)	0.29	-	-	-	-	(7.95)
Cash flow hedges	(15.29)	-	-	-	15.29	-	-
Others	(1.15)	(5.04)	-	-	-	-	(6.19)
	(722.45)	**67.26**	**-**	**-**	**15.29**	**8.74**	**(631.16)**
Total	**(341.98)**	**105.46**	**8.57**	**-**	**60.44**	**6.27**	**(161.24)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Notes:

(i) At March 31, 2021, there was no recognised deferred tax liability (Previous year : Nil) for taxes that would be payable on the unremitted earnings of certain of the Company's subsidiaries. The Company has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

(ii) Section 115BAA of the Income Tax Act, 1961 was introduced by the Taxation Laws (Amendment) Ordinance, 2019. During the previous year, based on the estimate of expected timing of exercising of the option under Section 115BAA, the Company had re-measured its deferred tax balances. Consequently, tax credit of ₹ 136.11 Crores (net of MAT adjustment of ₹ 74.02 crores) was recorded in the Statement of Profit and Loss during the year ended March 31, 2020.

(iii) MAT credit entitlement of ₹ 74.02 Crores (out of total ₹ 87.85 Crores generated during the previous year) expiring in the financial year ending March 31, 2035 is not recognised in the statement of profit and loss of the previous year, due to expected timing of exercising of the option under section 115BAA of Income Tax Act, 1961.

(iv) As on March 31, 2019 there were capital losses of ₹ 186.32 Crores expiring in the financial year ending March 31, 2023 on which no deferred tax asset was created, due to lack of probability of future capital gains against which such deferred tax assets can be realised. Pursuant to recognition of long term capital gain in the previous year, such capital losses were set off in previous year. Also refer Note 42 (A).

10. Other Financial Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Derivatives carried at fair value through Other comprehensive income		
- Forward exchange contracts used for hedging	28.84	-
Other financial assets carried at amortised cost		
- Government grant and claims recoverable	15.85	15.86
	44.69	**15.86**
Current		
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	4.39	0.08

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

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Derivatives carried at fair value through Other comprehensive income		
- Forward exchange contracts used for hedging	56.70	-
- Interest rate swaps used for hedging	1.01	-
Other financial assets carried at amortised cost		
- Insurance claim recoverable	0.33	5.79
- Government grant and claims recoverable	154.11	163.84
- Others	9.31	0.67
	225.85	**170.38**

11. Other Assets
(unsecured and considered good, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Capital advances	229.30	83.70
Prepaid expenses	0.25	0.26
Cenvat/Service tax/Goods and Services Tax/ sales tax recoverable	14.43	12.32
Claims recoverable under Post EPCG scheme and others	0.12	0.22
Total other non-current assets	**244.10**	**96.50**
Current		
Prepaid expenses	11.97	10.24
Cenvat/Service tax/ Goods and Services Tax/ sales tax recoverable	103.02	136.42
Export incentives recoverable	32.76	63.67
Deposits with customs and excise authorities	17.58	8.29
Advance to suppliers	99.61	61.30
Others	2.02	0.88
Total other current assets	**266.96**	**280.80**

12. Inventories
(Valued at lower of cost and net realisable value)

	As at March 31, 2021	As at March 31, 2020
Raw material (including packing material)	683.36	512.59
Stock in progress	176.47	156.45
Finished goods	338.59	281.24
Stores and spares (including fuel)	263.08	243.93
Traded goods	4.32	7.02
	1,465.82	**1,201.23**

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

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Goods-in-transit included above :		
Raw material (including packing material)	241.43	183.33
Finished goods	100.47	35.83
Stores and spares (including fuel)	1.06	2.59
Traded goods	0.33	2.02
	343.29	**223.77**

Notes

(i) The cost of inventories recognised as an expense includes ₹ 11.22 crores.(Previous year : ₹ 10.56 Crores) in respect of write-downs of inventory to net realisable value.

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

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

13. Trade Receivables

Current	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	1,274.56	891.07
Unsecured, credit impaired	5.03	3.61
Less: Provision for credit impaired receivables	(5.03)	(3.61)
	1,274.56	**891.07**

(i) The credit period generally allowed on sales varies, on a case to case basis, business to business and based on market conditions. Maximum credit period allowed is upto 120 days

(ii) Age of receivables :

	As at March 31, 2021	As at March 31, 2020
Within the credit period	1,131.74	691.32
1 to 180 days past due	141.25	187.54
More than 180 days past due	6.60	15.82
	1,279.59	**894.68**

(iii) The group has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the group in the receivables as identified. Receivables sold as on March 31, 2021 are of ₹ 369.12 crores (Previous year: ₹ 502.55 Crores). The group has derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the group.

(iv) The group sold, with recourse, trade receivables amounting to ₹ 47.15 Crores (Previous Year: Nil) to a bank for cash proceeds. These trade receivables have not been derecognised because the group retains substantially all of the risks and rewards, primarily credit risk. The amounts received on such transfer have been recognised as a secured bank loan (Refer note 18)

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

(vi) Refer Note 18.1 for information on trade receivables pledged as security by the group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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14. Cash and Cash Equivalents

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Current accounts	124.57	102.87
Exchange Earners Foreign Currency (EEFC) accounts	12.83	9.54
Deposit accounts with maturity of three months or less	0.09	2.91
Cash on hand	0.80	1.12
	138.29	**116.44**

The disclosures regarding details of specified bank notes held and transacted during the period November 8, 2016 to December 30, 2016 have not been made since the requirement does not pertain to financial Year ended March 31, 2021.

15. Bank Balances Other than Above

	As at March 31, 2021	As at March 31, 2020
Earmarked balances		
- Margin money	1.95	2.89
- Unclaimed dividend accounts	6.57	6.04
Other deposit accounts		
- Deposit accounts with maturity beyond three months upto twelve months	135.19	0.10
	143.71	**9.03**

16. Share Capital

	As at March 31, 2021	As at March 31, 2020
Authorised share capital:		
120,000,000 (Previous Year - 120,000,000) Equity shares of ₹ 10 each	120.00	120.00
1,000,000 (Previous Year - 1,000,000) Preference shares of ₹ 100 each	10.00	10.00
1,200,000 (Previous Year - 1,200,000) Cumulative Preferences shares of ₹ 50 each	6.00	6.00
20,000,000 (Previous Year - 20,000,000) Cumulative Preferences shares of ₹ 100 each	200.00	200.00
	336.00	**336.00**
Issued capital:		
63,301,960 (Previous Year - 61,537,255) Equity Shares of ₹ 10 each	**63.30**	**61.54**
Subscribed capital:		
59,245,205 (Previous Year - 57,480,500) Equity Shares of ₹ 10 each fully paid up	59.24	57.48
Add: Forfeited shares - Amount originally paid up	1.02	1.02
	60.26	**58.50**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

16.1 Fully paid equity shares

	Number of shares	Amount
Balance at March 31, 2019	**5,74,80,500**	**57.48**
Add : Movement during the year	-	-
Balance at March 31, 2020	**5,74,80,500**	**57.48**
Add : Movement during the year*	17,64,705	1.76
Balance at March 31, 2021	**5,92,45,205**	**59.24**

There are no bonus issue or buy back of equity shares during the period of five years immediately preceding the reporting date.

*During the year ended March 31, 2021 the Company has issued 17,64,705 fully paid up equity shares equivalent to 3.07% of the existing paid up equity capital of the Company to Qualified Institutional Buyers in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. These shares were issued at an issue price of ₹ 4,250 per share (including securities premium of ₹ 4,240 per share) for an aggregate consideration of ₹ 750 Crores. The proceeds (net of share issue expenses of ₹ 11.99 Crores charged off against securities premium) have been utilised for repayment of borrowings.

Terms/ rights attached to equity shares :

The parent has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board may from time to time pay to the members, such interim dividends as appear to it to be justified by the profits of the group.

During the Year ended March 31, 2021, the amount of interim dividend recognised as distributions to equity shareholders was ₹ 24 per share (Previous year : ₹ 14 per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.2 Details of shares held by the holding company

	Number of fully paid ordinary shares
As at March 31, 2021	
KAMA Holdings Limited, the Holding group	3,00,49,000
As at March 31, 2020	
KAMA Holdings Limited, the Holding group	3,00,49,000

16.3 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid equity shares				
Kama Holdings Limited	3,00,49,000	50.72%	3,00,49,000	52.28%
Amansa Holding Private Limited	33,73,411	5.69%	41,78,636	7.27%

17. Other Equity

	As at March 31, 2021	As at March 31, 2020
General reserve	648.77	573.77
Retained earnings	5,113.66	4,117.69
Cash flow hedging reserve	7.53	(78.56)
Cost of hedging reserve	3.13	-
Capital redemption reserve	10.48	10.48
Capital reserve	193.77	193.77
Debenture redemption reserve	62.50	75.00
Foreign currency translation reserve	21.77	(14.67)
Reserve for equity instruments through other comprehensive income	(4.22)	(4.22)
Employee share based payment reserve	2.52	1.56
Securities premium	736.25	-
	6,796.16	**4,874.82**

17.1 General reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	573.77	573.77
Increase/(decrease) during the year	75.00	-
Balance at end of year	**648.77**	**573.77**

The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. Items included in general reserve will not be reclassified subsequently to profit and loss.

17.2 Retained earnings

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	4,117.69	3,201.00
Profit for the year	1,197.94	1,019.09
Other comprehensive income arising from measurement of defined benefit obligation* (Refer note 36.2 (iv))	1.84	(5.39)
Payments of dividend on equity shares	(141.31)	(80.47)
Corporate tax on dividend	-	(16.54)
Transfer to debenture redemption reserve	(62.50)	-
Balance at end of year	**5,113.66**	**4,117.69**

The amount that can be distributed as dividend by the parent to its equity shareholders is determined based on the separate financial statements of the parent company and also considering the requirements of the Companies Act, 2013.

*net of income tax of ₹ (0.84) crores. (Previous year : ₹ 2.86 crores)

17.3 Cash flow hedging reserve

(Refer note 40.3.1 (C))

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	(78.56)	24.39
Recognized/(reclassed) during the year	132.33	(160.53)
Income tax related to above	(46.24)	57.58
Balance at end of year	**7.53**	**(78.56)**

The Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

17.4 Cost of hedging reserve

(Refer note 40.3.1 (C)

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	-	-
Recognized/(reclassed) during the year	3.46	-
Income tax related to above	(0.33)	-
Balance at end of year	**3.13**	**-**

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in other comprehensive income and accounted for similarly to gains or losses in the cash flow hedging reserve.

17.5 Capital redemption reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	10.48	10.48
Increase/(decrease) during the year	-	-
Balance at end of year	**10.48**	**10.48**

Capital Redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. The reserve is utilised in accordance with the provision of the Act.

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17.6 Capital reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	193.77	193.77
Increase/(decrease) during the year	-	-
Balance at end of year	**193.77**	**193.77**

Capital reserve represents amounts received pursuant to Montreal Protocol Phase-out Programme of refrigerant gases.

17.7 Debenture redemption reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	75.00	75.00
Increase/(decrease) during the year	(75.00)	-
Transfer from retained earnings	62.50	-
Balance at end of year	**62.50**	**75.00**

The Company has issued non-convertible debentures. The company has created debenture redemption reserve out of the profits of the company available for payment of dividend.

17.8 Reserve for equity instruments through other comprehensive income

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	(4.22)	(4.22)
Increase/(decrease) during the year	-	-
Balance at end of year	**(4.22)**	**(4.22)**

This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.

17.9 Foreign currency translation reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	(14.67)	(4.00)
Exchange differences arising on translation of foreign operations	36.44	(10.67)
Balance at end of year	**21.77**	**(14.67)**

Exchange differences relating to translation of the results and net assets of the group's foreign operations from their functional currency in to group presentation currency (i.e. ₹) are recognized in Other Comprehensive Income and accumulated in foreign currency translation reserve. Exchange differences previously accumulated in foreign currency translation reserve in respect of foreign operations are reclassified to statement of profit and loss on disposal of foreign operation.

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17.10 Employee share based payment reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	1.56	0.58
Increase/(decrease) during the year	0.96	0.98
Balance at end of year	**2.52**	**1.56**

The group has allotted equity shares to certain employees under an employee share purchase scheme. The share based payment reserve is used to recognise the value of equity-settled share based payments provided to the such employees as part of their remuneration. Refer note 37 for further details of the scheme.

17.11 Securities premium

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	-	-
Increase/(decrease) during the year	736.25	-
Balance at end of year	**736.25**	**-**

Securities premium represents the amount received in excess of the face value upon issue of equity shares. The same may be inter-alia utilised, for issue of fully paid bonus shares or for buy-back of equity shares by the Company, in accordance with the provisions of the Act. Expenses amounting to ₹ 11.99 Crores incurred on issue of equity shares under Qualified Institutional Placement have been charged off against securities premium. (Refer note 16.1)

18. Borrowings

	As at March 31, 2021	As at March 31, 2020
Non-current		
Secured		
2,500 Nos., Three Months T Bill plus 188 bps (2020: 3000 Nos. 7.33%), listed, secured redeemable non-convertible debentures of ₹ 10 lakhs each* (Refer note 18.1.1 and 18.1.2)	250.00	299.97
Term Loans from banks* (Refer note 18.1.3)	1,978.95	1,890.89
Term Loans from others*(Refer note 18.1.4)	196.31	281.59
Less: Current maturities of long term borrowings *(Refer note 21)	(460.25)	(779.75)
	1,965.01	**1,692.70**
Unsecured		
Term Loans from Banks*	-	618.93
	-	**618.93**
	1,965.01	**2,311.63**
Current		
Secured		
Cash credits from banks (Refer note 18.1.5.(iii))	0.44	10.00
Loans repayable on demand from banks (Refer note 18.1.4.((i) and (iii))	297.71	256.84
Bills discounted with banks (Refer note 18.1.4.(iv))	47.15	-
	345.30	**266.84**

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	As at March 31, 2021	As at March 31, 2020
Unsecured		
Loans repayable on demand from banks	520.40	488.60
Commercial papers from banks and others #	100.00	200.00
	620.40	**688.60**
	965.70	**955.44**

* Above amount of borrowings are net of upfront fees paid ₹ 5.02 crores (Previous year : ₹ 9.40 Crores)

The maximum amount due during the year is ₹ 600 crores (Previous year : ₹ 400.00 Crores)

There have been no defaults in repayment of principal and interest on borrowings during the reporting periods.

18.1 Details of security of the secured loans:

	Details of Loan	As at March 31, 2021#	As at March 31, 2020#	Security
1	Nil (Previous Year 3,000), 7.33%, Listed, Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each* **Terms and conditions** a) Redeemable at face value in one single instalment at the end of 3rd year from the date of allotment. b) Coupon is payable annually on June 30, every year.	-	300.00	Debentures were secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur in the State of Uttarakhand (other than moveable assets of Laminated Fabrics Business) and Dahej in the State of Gujarat (excluding certain assets) and an equitable mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.
2	2,500 (Previous Year : Nil), 3 Months T-Bill + 188 bps, Listed, Secured, Redeemable, Non-Convertible Debentures of the face value of 10 lakhs each* **Terms and conditions** a) Redeemable at face value in one single instalment at the end of 2nd year from the date of allotment. b) Coupon is payable on a quarterly basis every year.	250.00	-	Debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur in the State of Uttarakhand (other than moveable assets of Laminated Fabrics Business) and Dahej in the State of Gujarat (excluding certain assets).

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	Details of Loan	As at March 31, 2021#	As at March 31, 2020#	Security
3	(i) Term loan from Banks*	1,390.07	1,343.02	**Moveable property** (a)(i) Out of the loans as at 3(i), loans aggregating to ₹ 1099.30 Crores (Previous Year – ₹ 1154.12 Crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets) (a)(ii) Out of the loans as at 3(i), loans aggregating to ₹ 290.77 Crores (Previous Year – ₹ 188.90 Crores) are in the process of being secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai(other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur(other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets) **Immoveable property** (b)(i) Out of the loans as at 3(i) loans aggregating to ₹ 849.30 Crores (Previous Year – ₹ 1343.02 Crores) are secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand (b)(ii) Out of the loans as at 3(b)(i)) loans aggregating to ₹ 400.99 Crores (Previous Year – ₹ 544.56 Crores) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.

Details of Loan	As at March 31, 2021#	As at March 31, 2020#	Security
			(b)(iii) Out of the loans as at 3(b)(i) loans aggregating to ₹ Nil (Previous Year – ₹ 75.56 Crores) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).
			(b) (iv) Out of the loans as at 3(i), the term loans aggregating to:
			(a) ₹ Nil (Previous Year - ₹ 565.48 crores) were to be secured by equitable mortgage of immoveable properties at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand in the previous year.
			(b) ₹ 38.50 Crores (Previous Year – ₹ 43.50 Crores) are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
(ii) Term loan from banks	428.88	395.69	Term loan is secured by pledge of 85% of the share capital of SRF Europe Kft held by SRF Global BV, mortgage of land and building of SRF Europe Kft and exclusive charge over the fixed assets of SRF Europe Kft.
(iii) Term loan from banks	163.79	161.00	Term loan is secured by mortgage of existing plant and machinery, land and building and/or any construction in future of Packaging film Factory (SRF Industries (Thailand) Ltd).
4 (i) Term loans from others	21.95	60.48	Term loan availed from International Finance Corporation, Washington is secured by continuing coverage mortgage bond over the land, special notarial bond and general notarial bond over the property of SRF Flexipak (South Africa) (Pty) Limited.
(ii) Term loans from others	175.59	221.66	Loan of ₹ 175.59 Crores (Previous Year – ₹ 221.66 Crores) is secured by the hypothecation and equitable mortgage of Company's moveable and immoveable properties at Dhar in the State of Madhya Pradesh.
5 (i) Loans repayable on demand from banks	233.38	244.45	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai (other than current assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh and Kashipur (other than current assets of Laminated Fabrics Business) in the State of Uttarakhand.

Details of Loan	As at March 31, 2021#	As at March 31, 2020#	Security
(ii) Loans repayable on demand from banks	64.33	12.39	Working capital facilities is secured by pledge of 85% of the share capital of SRF Europe Kft held by SRF Global BV and pledge over receivables arising out of trade agreements
(iii) Cash credit from banks	0.44	10.00	Working capital facilities availed by SRF Flexipak (South Africa) (Pty) Ltd. are secured by cession of debtors and limited cession and pledge of credit balances
(iv) Bills discounted with Banks	47.15	-	Secured against certain trade receivables of the Company. (Also Refer note 13 (iv))

*Such hypothecation in respect of Non convertible debentures mentioned in point no. 2 and hypothecation and equitable mortgage mentioned in point no 3 rank pari-passu inter se between term loans from banks / Non convertible debentures. (Previous year : Such hypothecation and equitable mortgage in point no 1 and 3 rank pari-passu between term loans from banks / Non convertible debentures).

The term loans figures from bank as on March 31, 2020 as mentioined in point 3(i)(a)(i) and 3(i)(b)(i) above includes amount of ₹ 200 crores, which was repaid during the current financial year. However, charge created to secure the said loan against the assets mentioned in the said points is yet to be released.

During the current financial year, the company has taken term loan of ₹ 500 crores which was secured by assets as mentioned in point 3(i)(a)(i). This loan was repaid during the current year only, however, charge created against these assets is yet to be released.

#Gross of upfront fees paid ₹ 5.02 Crores (Previous year - ₹ 9.40 Crores)

18.2 Terms of loans

As at March 31, 2021

Non Current Borrowings

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2022	Up to March 31, 2023	Up to March 31, 2024	From 2024 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value in one Instalment at the end of second year	Floating rate at 5.23%	-	250.00	-	-
Term loan from banks	Half yearly instalment	Ranging from 1.23% to 7.85%	17.63	55.76	23.26	232.62
	Quarterly Instalment	Ranging from 0.41% to 6.25%	379.83	398.00	309.90	544.75
	Yearly payments	Floating rate at 7.25%	4.00	1.00	1.00	-
	Bullet payments	Fixed rate at 6.65%	-	15.00	-	-
Term loan from others	Half yearly payments	Ranging from 2.01% to 2.21%	60.95	39.00	39.00	58.58
			462.41	**758.76**	**373.16**	**835.95**

Amounts mentioned above are gross of upfront fees paid of ₹ 5.02 Crores.

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Current Borrowings

Short term borrowings are either payable in one instalment within one year or repayable on demand. For short term borrowings interest rates ranges from 0.30% to 7.50%

18.2 Terms of loans

As at March 31, 2020

Non Current Borrowings

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2021	Up to March 31, 2022	Up to March 31, 2023	From 2023 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value in one instalment at the end of third year	Fixed rate of 7.33%	300.00	-	-	-
Term loan from banks	Half yearly instalment	Ranging from 2.71% to 9.05%	5.00	46.31	72.81	80.63
	Quarterly Instalment	Ranging from 0.55% to 7.40%	217.56	291.53	287.74	595.86
	Yearly payments	Ranging from 7.65% to 8.25%	106.00	104.00	1.00	1.00
	Bullet payments	Ranging from 0.97% to 6.65%	-	226.68	406.97	-
Term loan from others	Half yearly instalments	Ranging from 3.28% to 3.92%	153.65	62.96	40.29	100.79
			782.21	**731.48**	**808.81**	**778.28**

Amounts mentioned above are gross of upfront fees paid of ₹ 9.40 crores

CURRENT BORROWINGS

Short term borrowings are either payable in one instalment within one year or repayable on demand. For short term borrowings interest rates ranges from 0.80% to 8.75%.

Terms of repayment

1) Reedemable non convertible debenture of ₹ 300 Crores repaid in current year in June 2020 (Previous year: ₹ 300 Crores are repayable in one bullet instalment in June 2020)
2) Rupee term loans of ₹ 38.50 Crores are repayable in 3 half yearly instalments from August 2021 (Previous year: ₹ 43.50 Crores repayable in 5 half yearly instalments from August 2020).
3) Rupee term loans of ₹ 24.66 Crores are repayable in 6 quarterly instalments from June 2021 (Previous year: ₹41.10 Crores repayable in 10 quarterly instalments from June 2020)
4) Rupee term loans of ₹ 200.00 Crores repaid in current financial year (Previous year: ₹ 200.00 Crores repayable in 2 annual instalments from August 2020).
5) Rupee term loans of ₹ 6.00 Crores are repayable in 3 annual instalments from December 2020 (Previous year: ₹ 12.00 Crores repayable in 4 annual instalments from December 2019).

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6) Reedemable non convertible debenture of ₹ 250.00 Crores are repayable in one bullet instalment in September 2022.(Previous year: Nil).
7) Rupee term loans of ₹ 250.00 Crores are repayable in 16 quarterly instalments from July 2021 (Previous year: Nil).
8) Foreign currency term loan of ₹ 114.30 Crores are repayable in 5 quarterly instalments from June 2021 (Previous year: ₹ 188.90 Crores are repayable in 8 quarterly instalments from September 2020).
9) Foreign currency term loan of ₹ 361.33 Crores are repayable in 16 quarterly instalments from May 2021 (Previous year: ₹ 412.90 Crores are repayable in 19 quarterly instalments from August 2020).
10) Foreign currency term loan of ₹ 143.69 Crores are repayable in 11 quarterly instalments from April 2021 (Previous year: ₹ 188.90 Crores are repayable in 14 quarterly instalments from July 2020).
11) Foreign currency term loan of ₹ 75.56 Crores was repaid in current year (Previous year: ₹ 75.56 Crores repayable in 2 half yearly instalments from September 2020).
12) Foreign currency term loan of ₹ 175.59 Crores are repayable in 9 half yearly instalments from April 2021 (Previous year: ₹ 221.66 Crores are repayable in 11 half yearly instalments from April 2020).
13) Foreign currency term loan of ₹ 15.00 Crores are repayable in one bullet instalment in June 2022 (Previous year: ₹ 15.00 Crores is repayable in one bullet instalment in June 2022).
14) Foreign currency term loan of ₹ 145.82 Crores are repayable in 9 quarterly instalments from April 2021 (Previous year: ₹ 165.16 Crores are repayable in 12 quarterly instalments from July 2020)
15) Foreign currency term loan of ₹ 290.77 Crores are repayable in 5 half yearly instalments from March 2022 and 12 monthly instalments from April 2024. (Previous year: Nil).
16) Foreign currency term loan of ₹ 226.68 Crores repaid in current financial year (Previous year: ₹ 226.68 Crores repayable in one bullet instalment in December 2021).
17) Foreign currency term loan of ₹ 226.68 Crores repaid in current financial year (Previous year: ₹ 226.68 Crores repayable in one bullet instalment in December 2022).
18) Foreign currency term loan of ₹ 165.34 Crores repaid in current financial year ((Previous year: ₹ 165.34 Crores repayable in one bullet instalment in December 2022).
19) Foreign currency term loan of ₹ 21.95 Crores are repayable in 2 half yearly instalments from May 2021 (Previous year: ₹ 60.45 Crores are repayable in 4 half yearly instalments from May 2020).
20) Foreign currency term loan of ₹ 428.88 Crores are repayable in 20 quarterly instalments from March 2022 (Previous year : ₹ 395.69 Crores are repayable in 20 quarterly instalments from March 2022).
21) Foreign currency term loan of ₹ 163.79 Crores are repayable in 8 half yearly instalments from September 2021 (Previous year : ₹ 161.26 Crores are repayable in 8 half yearly instalments from September 2021).

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19. Provisions

	As at March 31, 2021	As at March 31, 2020
Non-Current		
Provision for employee benefits		
Provision for compensated absence (Refer note 36.3)	39.24	32.94
Provision for retention pay (Refer note 36.3)	0.17	1.49
Other employee benefits	4.14	3.10
	43.55	**37.53**
Current		
Provision for employee benefits		
Provision for compensated absence (Refer note 36.3)	8.68	6.48
Provision for retention pay (Refer note 36.3)	-	0.14
	8.68	**6.62**

20. Trade Payables

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises#	33.37	30.36
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances*	139.97	92.59
- Other than acceptances	1411.85	988.74
	1,585.19	**1,111.69**

#Refer note 20.1

*Acceptances represents invoices discounted by vendors with banks

20.1 Total outstanding dues of micro enterprises and small enterprises

Trade Payables include the following dues to micro and small enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) to the extent such parties have been identified from the available information.

	As at March 31, 2021	As at March 31, 2020
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount **	52.02	35.88
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED /settled	-	1.02
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues are actually paid, for the purpose of disallowance of a deductible expenditure	-	-

**including payable to micro enterprise and small enterprise included in other financial liabilities (refer note 21)

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21. Other Financial Liabilities

	As at March 31, 2021	As at March 31, 2020
Non-Current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	-	21.43
- Interest rate swaps used for hedging	0.54	1.44
	0.54	**22.87**
Current		
Current maturities of long term borrowings (Refer note 18)	460.25	779.75
Interest accrued but not due on borrowings	5.79	29.14
Unpaid dividends*	6.57	6.04
Security deposits received	8.63	6.88
Payables to capital creditors		
Total outstanding dues of micro enterprises and small enterprises#	18.65	5.52
Total outstanding dues of creditors other than micro enterprises and small enterprises	349.46	215.90
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	-	44.19
- Interest rate swaps used for hedging	-	0.98
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	-	2.58
Others	43.19	33.56
	892.54	**1,124.54**

*Amount will be credited to investor education and protection fund if not claimed within seven years from the date of declaration of dividend.

#Refer note 20.1

22. Tax Assets and Liabilities

	As at March 31, 2021	As at March 31, 2020
Non - Current tax assets		
Advance tax (net of provision for tax)	33.74	35.03
Current tax assets		
Advance tax (net of provisions for tax)	-	1.74
Current tax liablities		
Provision for tax (net of advance tax)	12.49	9.75

23. Other Liabilities

	As at March 31, 2021	As at March 31, 2020
Non-current		
Deferred government grants*	42.77	14.00
	42.77	**14.00**
Current		
Contract liability (Refer note 41)	18.40	12.68
Statutory liabilities	38.07	21.73
Payable to gratuity trust (Refer note 36.2)	4.52	15.82
Other payables	31.74	35.95
	92.73	**86.18**

*The group had received financial assistance from the Industrial Development Corporation of South Africa for the development of the clothing and textiles competitiveness programme - RCF in respect of its property, plant and equipment in earlier years.

Further, during the current year, the group has received financial assistance from Ministry of Foreign Affair and Trade, Hungary amounting to ₹ 28.16 crores under the governments' "Scheme for Investment Promotion" to promote investment and job creation.

The unamortised grant amount as on March 31, 2021 is ₹ 42.77 crores (Previous year : ₹ 14.00 crores).

24. Revenue from Operations*

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products		
Manufactured goods	8,214.10	6,941.92
Traded goods	81.30	120.20
	8,295.40	**7,062.12**
Other operating revenues		
Claims	0.52	0.25
Export and other incentives	70.65	102.87
Scrap sales	29.98	30.07
Other operating income	3.49	14.10
	104.64	**147.29**
	8,400.04	**7,209.41**

Reconciliation of revenue from sale of products with the contracted price

	Year ended March 31, 2021	Year ended March 31, 2020
Contracted price	8,438.70	7,162.59
Less: Discounts, allowances and claims	(143.30)	(100.47)
Sale of products	**8,295.40**	**7,062.12**

*Refer Note 42 C

25. Other Income*

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income		
- from customers	0.01	0.08
- on loans and deposits	1.22	1.09
- on others	7.80	13.93
Net gain on sale/discarding of property, plant and equipment	0.39	12.85
Net gain on financial assets measured at fair value through profit and loss	25.45	9.38
Net foreign currency fluctuation gains	11.86	-
Provision / liabilities no longer required written back	11.49	2.86
Other non-operating income	8.13	8.86
	66.35	**49.05**

*Refer Note 42 C

26.1 Cost of Materials Consumed

	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock of raw materials		
- Continuing operations	512.59	573.01
- Discontinued operations	-	35.10
Add: Purchases of raw materials		
- Continuing operations	4,198.45	3,626.97
- Discontinued operations	-	81.24
	4,711.04	4,316.32
Less: Closing stock of raw materials		
- Continuing operations	683.36	512.59
- Discontinued operations	-	-
Cost of materials consumed*		
- Continuing operations	**4,027.68**	**3,687.39**
- Discontinued operations	**-**	**116.34**

*including packing material

26.2 Purchases of Stock in Trade*

	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of stock in trade	62.92	91.40
	62.92	**91.40**

*Refer note 42 C

26.3 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year:		
- Continuing operations		
Stock-in-Process	176.47	156.45
Finished goods	338.59	281.24
Traded goods	4.32	7.02
	519.38	**444.71**
Effect of changes in exchange currency rates		
- Continuing operations		
Stock-in-Process	0.56	(0.14)
Finished goods	2.47	(1.11)
	3.03	**(1.25)**
- Discontinued operations		
Stock-in-Process	-	0.40
Finished goods	-	0.57
	-	**0.97**
Inventories at the beginning of the year:		
- Continuing operations		
Stock-in-Process	156.45	139.65
Finished goods	281.24	209.49
Traded goods	7.02	5.00
	444.71	**354.14**
- Discontinued operations		
Stock-in-Process	-	-
Finished goods	-	7.95
Traded goods	-	16.37
	-	**24.32**
Net (increase) / decrease		
- Continuing operations	**(71.66)**	**(91.82)**
- Discontinued operations	**-**	**25.29**

27. Employee Benefits Expense*

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages, including bonus	515.89	446.79
Contribution to provident and other funds	40.89	35.79
Workmen and staff welfare expenses	63.66	58.36
Share based payment expense (Refer note 37)	0.96	0.98
	621.40	**541.92**

*Refer note 42 C

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28. Finance Cost*

	Year ended March 31, 2021	Year ended March 31, 2020
Interest cost^		
- Non convertible debentures	12.27	21.99
- Term loans and others	99.46	145.96
- Lease liabilities	6.49	6.70
Other borrowing costs	14.95	12.87
Exchange differences regarded as an adjustment to borrowing cost	0.78	13.16
	133.95	**200.68**

^pertains to liabilities measured at amortised cost.

*Refer Note 42 C

29. Depreciation and Amortisation Expense*

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	426.78	364.39
Amortisation of intangible assets	8.24	7.48
Depreciation of Right of use assets	18.06	16.74
	453.08	**388.61**

*Refer Note 42 C

30. Other Expense*

	Year ended March 31, 2021	Year ended March 31, 2020
Credit impaired assets provided / written off	11.94	2.05
Labour production	52.44	44.92
Directors' sitting fees	0.29	0.26
Expenditure on corporate social responsibility**	12.88	12.00
Property, plant and equipment provided/ written off	1.37	5.55
Freight charges	302.06	223.31
Insurance	39.57	39.06
Power and fuel	717.34	672.55
Legal and professional charges	33.10	34.53
Rates and taxes	9.91	36.37
Rent***	17.92	14.78
Repairs and maintenance		
- Buildings	5.38	6.37
- Plant and machinery	162.42	158.44
- Other maintainance	37.34	38.93
Selling commission	26.83	21.02

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	Year ended March 31, 2021	Year ended March 31, 2020
Stores and spares consumed	66.54	66.47
Travelling and conveyance	5.84	19.05
Auditor remuneration # ****		
- Audit Fees	1.52	1.12
- For limited review of unaudited financial results	0.94	0.40
- For Corporate governance, consolidated financial statements and other certificates	0.22	0.12
- For tax audit	0.08	0.06
- Reimbursement of out of pocket expenses	0.08	0.16
Exchange currency fluctuation (net)	-	3.50
Effluent disposal expenses	77.10	77.52
Miscellaneous expenses	43.26	47.04
	1,626.37	**1,525.58**

*Refer note 42 C

**Refer to note 46(d)

***Refer to note 43

#including fees paid to auditors of subsidiary companies

****Excluding fees of ₹ 0.43 Crore (Previous year: Nil) for QIP related attestation and certification, netted off from securities premium.

31. Income Tax Recognised in Profit and Loss

	Year ended March 31, 2021	Year ended March 31, 2020
Tax expense related to continuing operations	414.40	(1.20)
Tax expense related to discontinued operations	(2.42)	52.66
	411.98	**51.46**
(a) Tax expense related to continuing operations		
Current tax		
In relation to current year	357.97	115.97
Adjustment in relation to earlier years	0.02	(11.71)
	357.99	**104.26**
Deferred tax		
- MAT credit entitlement		
In relation to current year	-	(13.83)
Adjustment in relation to earlier years	(5.38)	(22.90)
	(5.38)	**(36.73)**
- Others		
In relation to current year	57.44	(75.63)
Adjustment in relation to earlier years	4.35	6.90
	61.79	**(68.73)**

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	Year ended March 31, 2021	Year ended March 31, 2020
(b) Tax expense related to discontinued operations		
Current tax		
In relation to current year	-	61.23
Deferred tax		
- Others		
In relation to current year	(0.28)	(8.57)
Adjustment in relation to earlier years	(2.14)	-
	(2.42)	**52.66**

The income tax expenses for the year can be reconciled to the accounting profits as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax		
From continuing operations	1,612.65	914.70
From discontinued operations	(2.73)	155.85
Total Profit before tax	**1,609.92**	**1,070.55**
Income Tax Expenses @ 34.944% (Previous year @ 34.944%)	562.57	374.09
Effect of deductions (research and development, share issue expenses and deductions under Chapter - VIA of Income Tax Act)	(54.59)	(76.74)
Effect of expenses that are not deductible in determining taxable profits	5.48	6.25
Effect of income taxable at lower rate		(26.00)
Effect of credit recognised on set-off of carried forward long term capital losses (Refer note (iii) below)	-	(43.40)
Effect of re-measurement of deferred tax balances / lower tax rate on certain temporary differences pursuant to Section 115BAA of Income tax act. Refer to note 9(ii)	(22.73)	(136.11)
Effect of Nil tax/exemption of overseas subsidiaries	(40.05)	(8.66)
Effect of Deferred tax created on past accumulated losses	-	(11.24)
Effect of lower tax rates in overseas subsidiaries	(40.14)	4.27
Others	2.45	(3.29)
Income tax expenses recognised in profit and loss in relation to current year	**412.99**	**79.17**
Income tax expenses recognised in profit and loss in relation to earlier years (Refer note (ii) below)	(1.01)	(27.71)
Total Income tax expenses recognised in profit and loss	**411.98**	**51.46**

Notes:

(i) The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (2020: 34.944%) payable by corporate entities in India on taxable profits under the Indian tax law.

(ii) Income tax in relation to earlier years includes tax credit of ₹ 1.62 crores (Previous year ₹ 22.58 crores) which is related to finalization and determination of deduction/allowance claimed for earlier years under Chapter-VIA of the Income-tax Act, 1961, for generation of power from captive power plants which is based on finalization of transfer pricing study /tax audit reports of the earlier years.

(iii) The Company had ₹ 186.32 Crores of carried forward long term capital losses as per Income Tax Act, 1961, available for set off, on which no deferred tax asset was recognized till year ended March 31,2019. Pursuant to recognition of long term capital gain, a tax credit of ₹ 43.40 Crores has been recognised during the previous year in respect of such losses in accordance with Ind AS 12 - "Income Taxes".

32. Income Tax Recognised in Other Comprehensive Income

	Year ended March 31, 2021	Year ended March 31, 2020
Arising on income and expense recognised in other comprehensive income		
Net (gain)/ loss on designated portion of hedging instruments in cash flow hedges	(46.24)	57.58
Cost of hedging reserve	(0.33)	-
Remeasurement of defined benefit obligation	(0.84)	2.86
	(47.41)	**60.44**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	(46.57)	57.58
Items that will not be reclassified to profit or loss	(0.84)	2.86
	(47.41)	**60.44**

33. Contingent Liabilities

	As at March 31, 2021	As at March 31, 2020
a. Claims against the Company not acknowledged as debts:		
Goods and Services tax, excise duty, custom duty and service tax*	23.11	21.33
Sales tax and entry tax **	20.38	19.08
Income tax (also refer note b(ii) below) ****	3.74	5.79
Others ***	13.19	11.85

* Amount deposited against contingent liability ₹ 1.79 Crores (Previous year: ₹ 2.72 Crores)

** Amount deposited against contingent liability ₹ 7.59 Crores (Previous year: ₹ 4.62 Crores)

*** Amount deposited against contingent liability ₹ 0.40 Crores (Previous year: ₹ 0.49 Crore)

**** Amount deposited against contingent liability ₹ 3.09 Crores (Previous year: ₹ 5.68 Crores)

*** Includes demand by Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. (MPPKVV Ltd) of ₹ 11.40 Crores (Previous year: ₹ 10.06 Crores) which is disputed by the Company.

All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on the results of the operations or financial position of the group.

b. (i) The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax amounting to ₹ 18.58 Crores (Previous year: ₹ 25.61 Crores) should not be levied. The Company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.

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(ii) The Company had received a draft assessment order for assessment year 2016-17 on December 29, 2019 in which adjustments amounting to ₹ 367.37 Crores were proposed on account of transfer pricing adjustments etc. which were pending before Dispute Resolution Panel as at March 31, 2021. On April 30, 2021 the Company has received the final assessment order wherein adjustments amounting to ₹ 118.49 Crores have been made on account of transfer pricing adjustments, research and development expenditure and others etc. and demand of ₹ 22.66 crores have been raised. The Company will file rectification application against research and development disallowance as well as towards certain computation error and for rest of the issues, appeal will be filed before ITAT. Based on the facts of the case and the Company's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

(iii) The Company has received a show cause notice for assessment year 2017-18 on April 23, 2021 wherein adjustments amounting to ₹ 377.44 Crores have been proposed on account of transfer pricing adjustments, research and development expenditure and others etc. Draft assessment order is yet to be passed by the National E-Assessment Centre. Based on the facts of the case and the Company's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

c. In February 2019, the Honourable Supreme Court of India in its judgement opined on the applicability of allowances that should be considered to measure obligations under Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Company believes that there are interpretative challenges on the application of judgement retrospectively and therefore had applied the judgement on a prospective basis from previous year onwards.

d. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the group or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made.

34. Capital and Other Commitments

	As at March 31, 2021	As at March 31, 2020
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	751.56	362.95
(ii) The group has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The group does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses which have not been provided for.		
iii) Export obligation under advance license scheme on duty free import of specific raw materials, remaining outstanding is ₹ 619.36 crores (Previous year: ₹ 204.24 crores).		

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35. Related Party Transactions

35.1 Description of related parties under Ind AS- 24 "Related party disclosures"

Ultimate holding entity	**Key management personnel (KMP)**
ABR Family Trust	Arun Bharat Ram
	Ashish Bharat Ram
Holding Company	Kartik Bharat Ram
KAMA Holdings Limited	Tejpreet S Chopra
	Lakshman Lakshminarayan
Fellow subsidiaries #	Vellayan Subbiah
KAMA Realty (Delhi) Limited	Meenakshi Gopinath
Shri Educare Limited	Pramod Gopaldas Gujarathi
	Bharti Gupta Ramola
Post employment benefit plans trust	Yash Gupta
SRF Limited Officers Provident Fund Trust	Puneet Yadu Dalmia
SRF Employees Gratuity Trust	
SRF Officers Gratuity Trust	**Enterprises over which KMP have significant influence#**
	SRF Foundation
Relatives of KMP#	Karm Farms LLP
Sushil Ramola	Srishti Westend Greens Farms LLP
Shanthi Narayan	SRF Welfare Trust
Murugappan Vellayan Subbiah	BLP Industry AI Private Limited
	Relatives of KMP of Holding Company#
KMP of Holding Company#	Nirmala Kothari
Ekta Maheshwari	
	Enterprises over which relative of KMP has control#
	Murugappa & Sons

#Only with whom the Company had transactions during the year

35.2 Transactions with related parties

	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of property, plant & equipment and intangible assets from		
Holding company	-	0.15
	-	**0.15**
Sale of property, plant & equipment and intangible assets to		
Holding company	-	0.20
	-	**0.20**

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	Year ended March 31, 2021	Year ended March 31, 2020
Sale of goods to		
Enterprises over which KMP have significant influence	-	0.25
	-	**0.25**
Rent paid		
Fellow Subsidiaries	6.60	6.63
Key management personnel	0.27	0.29
Enterprises over which KMP have significant influence	0.27	0.27
	7.14	**7.19**
Reimbursement of expenses from		
Holding Company	0.01	0.01
Fellow Subsidiaries	0.05	0.05
	0.06	**0.06**
Receiving of Services from :		
Enterprises over which KMP have significant influence	0.07	-
	0.07	**-**
Deposits received back from		
Fellow Subsidiaries	-	0.12
Enterprises over which KMP have significant influence	-	0.04
	-	**0.16**
Contribution for expenditure on corporate social responsibility		
Enterprises over which KMP have significant influence	9.18	12.00
	9.18	**12.00**
Contribution to post employment benefit plans		
Post employment benefit plans trust	35.41	24.31
	35.41	**24.31**
Employee benefit obligations transferred to		
Holding Company	0.02	0.03
Fellow Subsidiaries	-	0.10
Enterprises over which KMP have significant influence	*	-
	0.02	**0.13**
* Amount in absolute ₹ 25,962 (Previous year : Nil)		
Employee benefit obligations transferred from		
Holding Company	-	0.09
	-	**0.09**
Equity dividend paid		
Holding Company	72.12	42.07
Key management personnel	0.12	0.06
Relatives of KMP	0.07	0.04
KMP of Holding Company	^^	-

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(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
Relatives of KMP of Holding Company	^	^
Enterprises over which relative of KMP has control	^^^	-
	72.31	**42.17**

^Amount in absolute ₹ 240 (Previous year: 140)

^^Amount in absolute ₹ 168 (Previous year: Nil)

^^^ Amount in absolute ₹ 24,618 (Previous year: Nil)

35.3 Outstanding Balances:

	Year ended March 31, 2021	Year ended March 31, 2020
Commission payable		
Key management personnel	12.84	10.22
	12.84	**10.22**
Payable		
Post employment benefit plans trust	4.53	14.37
	4.53	**14.37**
Security deposits outstanding		
Fellow Subsidiaries	3.27	3.27
Key management personnel	0.13	0.13
Enterprises over which KMP have significant influence	0.14	0.14
	3.54	**3.54**

35.4 Key management personnel compensation

	Year ended March 31, 2021	Year ended March 31, 2020
Short-term benefits*	26.21	22.11
Post-employment benefits	1.44	1.75
Other long-term benefits	0.97	1.25
	28.62	**25.11**

* Includes sitting fees and commission paid/ payable to non executive directors

36. Employee Benefits

36.1 Defined contribution plans:

Amounts recognized in the statement of profit and loss are as under:

Indian entities	Year ended March 31, 2021	Year ended March 31, 2020
Superannuation fund (Refer to note (i) below)	0.61	0.65
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	14.02	12.58
Employees' State Insurance Corporation	0.43	0.58
National Pension Scheme	1.34	1.99
	16.40	**15.80**

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Foreign subsidiaries	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to provident fund	1.21	1.24
Skill, development and Social Security Fund	3.10	0.78
Pension fund	1.53	1.05
	5.84	**3.07**

The expenses incurred on account of the above defined contribution plans have been included in Note 27 "Employee Benefits Expenses" under the head "Contribution to provident and other funds"

(i) Superannuation fund

The Company makes contributions to a Trust which in turn contributes to ICICI Prudential Life Insurance Company Limited. Apart from being covered under the Gratuity Plan described below, the employees of the Company also participate in a defined contribution superannuation plan maintained by the Company. The Company has no further obligations under the plan except making annual contributions based on a specified percentage of each covered employee's salary. From November 1, 2006, the Company provided an option to the employees to receive the said benefit as cash compensation along with salary in lieu of the superannuation benefit. Thus, no contribution is required to be made for the category of employees who opted to receive the benefit in cash.

(ii) Provident fund administered through Regional Provident Fund Commissioner

All employees are entitled to Provident Fund benefits as per the law. For certain category of employees the group administers the benefits through a recognized Provident Fund Trust. For other employees contributions are made to the Regional Provident Fund Commissioners. The Government mandates the annual yield to be provided to the employees on their corpus. This plan is considered as a Defined Contribution Plan. For the first category of employees (covered by the Trust), the group has an obligation to make good for the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government and these are considered as Defined Benefit Plans and are accounted for on the basis of an actuarial valuation.

36.2 Defined benefit plans

The group sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by separate funds which are legally separate from the group. These plans are:

(a) Gratuity

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

(c) Legal Severance pay & Health care (Unfunded) as applicable with respect to foreign entities

(i) These plans typically expose the group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

(All amounts in ₹ Crores, unless otherwise stated)

Salary Risk
The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Interest Risk
The plan exposes the group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of the providing the above benefits and will thus result an increase in value of the liability.

Longevity Risk
The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of the plan participants both during and after the employment. An increase in the life expectancy of plan participants will increase the plan's liability.

(ii) The principal assumption used for the purpose of the actuarial valuation were as follows:

Indian entities	As at March 31, 2021		As at March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	6.69%	6.69%	6.77%	6.77%
Expected statutory interest rate	-	8.50%	-	8.50%
Salary increase	7.00%	-	7.00%	-
Retirement Age (years)	58.00	58.00	58.00	58.00
Mortality Rates	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Withdrawal rate				
Upto 30 years	20.00%	20.00%	20.00%	20.00%
31 to 44 years	7.00%	7.00%	7.00%	7.00%
Above 44 years	8.00%	8.00%	8.00%	8.00%

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2021	As at March 31, 2020
Discount Rate	2.70%	1.74%
Salary increase	6.25%	6.00%
In service mortality	TMO 2017	TMO 2017
Retirement Age	55	55
Withdrawal Rate		
- up to 20 years	15%	20%
- 21-30	15%	16%
- 31-40	8%	10%
- 41-50	3%	3%
- 51 onwards	2%	2%

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuations involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date.

The present value of defined benefit obligation and the related current service cost and past service cost were measured using projected unit credit method.

(iii) Amounts recognized in statement of profit an loss in respect of these benefit plans are as follows:

Indian entities	Year ended March 31, 2021		Year ended March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	8.03	6.75	7.19	6.07
Interest expenses (net of expected return on plan assets)	1.07	-	0.64	-
	9.10	**6.75**	**7.83**	**6.07**

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	Year ended March 31, 2021	Year ended March 31, 2020
Current/past Service cost*	0.93	15.27
Net interest expenses	0.06	0.40
	0.99	**15.67**

*The above includes impact of discontinued operations.

The current service cost and the net interest expenses for the year are included in Note 27 "Employee Benefits Expenses" under the head Contribution to provident and other funds

(iv) Amount recognized in other comprehensive income:

Indian entities	Gratuity	
	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (gain)/losses on plan assets	(5.84)	(0.41)
Actuarial (gain)/losses arising from changes in financial assumptions	0.49	4.54
Actuarial (gain)/losses arising from changes in experience adjustments	2.94	4.06
	(2.41)	**8.19**

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Foreign subsidiaries	Legal Severance Pay (unfunded)	
	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (gain)/losses arising from changes in financial assumptions	(0.37)	0.71
Actuarial (gain)/losses arising from changes in experience adjustments and demographic assumption	0.10	(0.65)
	(0.27)	**0.06**

(v) The amount included in consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Indian entities	As at March 31, 2021		As at March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	98.72	158.91	85.78	137.01
Fair value of plan assets	94.20	157.71	69.96	136.55
Surplus/ (Deficit)	**(4.52)**	**(1.20)**	**(15.82)**	**(0.46)**
Effect of asset ceiling, if any	-	-	-	-
Net assets / (liability)	**(4.52)**	**(1.20)**	**(15.82)**	**(0.46)**

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	4.14	3.99
Fair value of plan assets	-	-
Net asset / (liability)	**(4.14)**	**(3.99)**

(vi) Movements in the present value of defined benefit obligation are as follows:

Indian entities	As at March 31, 2021		As at March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	85.78	137.01	70.66	121.17
Current service cost	8.03	6.75	7.19	6.07
Interest cost	5.81	11.92	5.41	10.32
Actuarial (gain)/losses arising from changes in financial assumptions	0.49	-	4.54	-
Actuarial (gain)/losses arising from changes in experience adjustments	2.94	-	4.06	-
Benefits paid	(4.33)	(8.73)	(5.04)	(13.88)
Contribution by plan participants / employees	-	10.83	-	10.00
Settlement/ transfer in	-	1.13	(1.04)	3.33
Closing defined benefit obligation	**98.72**	**158.91**	**85.78**	**137.01**

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Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	3.99	9.72
Current Service Cost	0.93	15.27
Interest Cost	0.06	0.40
Actuarial (gain)/losses arising from changes in financial assumptions	(0.37)	0.71
Actuarial (gain)/losses arising from changes in experience adjustments and demographic assumption	0.10	(0.65)
Exchange difference on foreign plans	0.07	0.37
Benefits paid/Settled*	(0.64)	(21.83)
Closing defined benefit obligation	**4.14**	**3.99**

*Benefits paid to employees due to discontinuation of business

(vii) Movements in the fair value of plan assets are as follows:

Indian entities	As at March 31, 2021		As at March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	69.96	136.55	62.36	123.07
Return on plan assets (excluding amounts included in net interest expenses)	10.58	11.18	5.28	10.14
Contributions from employer	17.99	6.75	8.30	6.07
Contributions from plan participants	-	10.83	-	10.00
Benefits paid	(4.33)	(8.73)	(5.04)	(13.88)
Settlement/ transfer in	-	1.13	(0.94)	1.15
Closing fair value of plan assets	**94.20**	**157.71**	**69.96**	**136.55**

Gratuity:

Plan assets comprises primarily of investment in HDFC Group Unit Linked Plan fund. The average duration of the defined benefit obligation is 9.14 years (Previous year: 9.08 years). The Company expects to make a contribution of ₹ 8.76 Crores (Previous year: ₹ 8.68 Crores) to the defined benefit plans during the next financial year.

Provident fund:

The plan assets have been primarily invested in government securities and corporate bonds.

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

Indian entities	Year ended March 31, 2021		Year ended March 31, 2020	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Sensitivity analysis of Gratuity				
Discount rate	(3.00)	3.20	(2.62)	2.79
Expected salary growth	3.17	(3.01)	2.72	(2.63)
Sensitivity analysis of Provident Fund	(0.01)	0.01	(0.01)	0.01

Foreign subsidiaries	Year ended March 31, 2021		Year ended March 31, 2020	
	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
Sensitivity analysis of Legal Severance Pay				
Discount rate	(0.44)	0.52	(0.34)	0.40
Expected salary growth	0.48	(0.42)	0.37	(0.32)

Sensitivity due to mortality and withdrawals are insignificant and hence ignored

36.3 Other long-term employee benefit

Amounts recognised in the statement of profit and loss in note 27 "Employee benefits expenses" under the head "Salaries and wages, including bonus"

	Year ended March 31, 2021	Year ended March 31, 2020
Long term retention pay (refer to note (i) below)	-	0.14
Compensated absences	11.57	11.26
	11.57	**11.40**

(i) Long Term Retention Pay

The group has a Long Term Retention Pay Plan which covers employees selected on the basis of their current band and their long term value to the Company. The incentive is payable in three year blocks subject to achievement of certain performance ratings. The Company also has a scheme for talent retention of certain identified employees under which an incentive is payable over a period of three years.

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37. Employee Share Based Payments

The Company has an Employee Share Purchase Scheme (SRF Long Term Share Based Incentive Plan) to provide equity settled share based payments to certain employees. The expenses related to the grant of shares under the Scheme are accounted for on the basis of fair value of the share on the grant date (which is the market price of the Company's share on the date of grant less exercise price). The fair value so determined is expensed on a straight line basis over the remaining tenure over which the employees renders their services.

There were no equity shares granted during the current and previous year. Based on the grants made in earlier years, the Company has recognised ₹ 0.96 crore as share based payment expense during the current year (Previous year ₹ 0.98 crores).

38. Segment Reporting

Based on the guiding principles laid down in Indian Accounting Standard (Ind AS) - 108 "Segment Reporting", the Managing Director of the Group is the Chief Operating Decision Maker (CODM) and for the purposes of resource allocation and assessment of segment performance, the business of the Group is segregated in the segments below:

- Technical Textiles business: includes nylon tyre cord fabric, belting fabric, polyester tyre cord fabric and industrial yarns and its research and development
- Chemicals business: includes refrigerant gases, industrial chemicals, speciality chemicals, fluorochemicals & allied products and its research and development.
- Packaging Film business: includes polyester films and polypropylene films.
- Others: include coated fabric, laminated fabric and other ancillary activities

Segment revenue, results and capital employed include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable.

In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments. These amounts relate to continuing operations, unless otherwise stated. (Refer to note 42 with regard to information in relation to discontinued operations).

b) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property plant and equipment and intangible assets, net of allowances and provisions, which are reported as direct offsets in the consolidated balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

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A. Information about operating business segments

	Year ended March 31, 2021	Year ended March 31, 2020
Segment revenue		
a) Technical textiles business (TTB)		
- External sales	1,231.41	1,352.62
- Inter-segment sales	8.70	4.93
Total	**1,240.11**	**1,357.55**
b) Chemicals business (CB)		
- External sales	3,644.89	2,974.96
- Inter-segment sales	-	-
Total	**3,644.89**	**2,974.96**
c) Packaging films business (PFB)		
- External sales	3,291.72	2,603.58
- Inter-segment sales	-	0.41
Total	**3,291.72**	**2,603.99**
d) Others		
- External sales	232.02	278.26
- Inter-segment sales	-	0.08
Total	**232.02**	**278.34**
Total segment revenue	**8,408.74**	**7,214.84**
Less: Inter segment revenue	8.70	5.43
Revenue from operations	**8,400.04**	**7,209.41**
Add: Unallocable income	66.35	49.05
Total revenue	**8,466.39**	**7,258.46**
Segment profits		
Profit before interest and tax from each segment		
a) Technical textiles business (TTB)	176.90	151.49
b) Chemicals business (CB)	728.14	511.48
c) Packaging films business (PFB)	897.87	555.62
d) Others	25.59	31.77
Total segment results	**1,828.50**	**1,250.36**
Less: i) Interest and finance charges	133.95	200.68
Less: ii) Other unallocable expenses net of income	81.90	134.98
Profit before tax from continuing operations	**1,612.65**	**914.70**
(Loss) / Profit before tax from discontinuing operations (Refer note 42)	**(2.73)**	**155.85**
Total profit before tax	**1,609.92**	**1,070.55**
Capital expenditure		
a) Technical textiles business (TTB)	77.90	63.18
b) Chemicals business (CB)	618.66	503.27

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	Year ended March 31, 2021	Year ended March 31, 2020
c) Packaging films business (PFB)	553.34	1,098.49
d) Others	1.92	11.67
e) Unallocated	3.13	6.53
Total	**1,254.95**	**1,683.14**
Depreciation and amortisation		
a) Technical Textiles Business (TTB)	35.41	34.69
b) Chemicals Business (CB)	273.09	245.33
c) Packaging Films Business (PFB)	123.61	86.26
d) Others	8.06	8.49
e) Unallocated	12.91	13.84
Total	**453.08**	**388.61**

Segment assets and liabilities

	As at March 31, 2021	As at March 31, 2020
Segment assets		
a) Technical Textiles Business (TTB)	1,582.16	1,385.06
b) Chemicals Business (CB)	5,741.97	5,247.50
c) Packaging Films Business (PFB)	4,543.33	3,582.77
d) Others	171.97	187.37
Total	**12,039.43**	**10,402.70**
Unallocable assets	889.98	462.22
Assets classified as held for sale	-	11.84
Total assets	**12,929.41**	**10,876.76**
Segment liabilities		
a) Technical Textiles Business (TTB)	337.14	303.71
b) Chemicals Business (CB)	710.22	515.33
c) Packaging Films Business (PFB)	1,117.90	664.05
d) Others	32.85	43.68
Total	**2,198.11**	**1,526.77**
Unallocable liabilities	3,874.88	4,416.67
Total liabilities	**6,072.99**	**5,943.44**

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B. Information about geographical business segments

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations		
- India	3,640.40	3,654.63
- South Africa	475.37	363.06
- Singapore	5.47	13.04
- Germany	476.58	525.59
- USA	576.20	426.94
- Thailand	188.89	140.74
- Hungary	13.61	-
- Switzerland	687.75	425.38
- Belgium	635.51	293.59
- Others	1,700.26	1,366.44
	8,400.04	**7,209.41**

	Year ended March 31, 2021	Year ended March 31, 2020
Non current segment assets		
Within India	6,505.08	6,022.14
Outside India	2,338.23	1,835.25
	8,843.31	**7,857.39**

Non current segment assets includes property, plant and equipment, right of use assets, capital work in progress, intangible assets, Goodwill and other non current assets.

No single customer contributed 10% or more to the Group's revenue for both 2020-21 and 2019-20

Revenue from major products	Year ended March 31, 2021	Year ended March 31, 2020
a) Technical textiles business (TTB)		
Nylon tyre cord fabric/ Polyester tyre cord fabric / Belting fabric	1,122.94	1,178.73
Synthetic filament yarn including Industrial yarn /Twine	97.21	162.86
Waste/others	0.62	-
b) Chemicals business (CB)		
Speciality Chemicals	2,389.39	1,623.83
Fluorochemicals, Refrigerant Gases and allied products	893.98	929.08
Industrial Chemicals	311.00	344.89
Waste/others	0.74	1.31
c) Packaging films business (PFB)		
Packaging Films	3,253.26	2,557.09
d) Others		
Coated Fabric, Laminated Fabric and other ancillary activities	226.26	264.33
	8,295.40	**7,062.12**

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39. Earnings Per Share (EPS)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit attributable to equity holders of the group used in calculating basic earning per share and diluted earning per share:		
- From continuing operations	1,198.25	915.90
- From discontinued operations	(0.31)	103.19
- From continuing and discontinued operations	1,197.94	1,019.09
Weighted average number of equity shares of the company used in calculating basic earning per share and diluted earning per share (nos.)	5,82,83,078	5,74,80,500
Basic and diluted earnings per share of face value ₹10 each		
- From continuing operations (₹)	205.59	159.34
- From discontinued operations (₹)	(0.05)	17.95
- From continuing and discontinued operations (₹)	205.54	177.29

40. Financial Instruments and Risk Management

40.1 Capital Management

The group manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders by maintaining a reasonable balance between debt and equity. The capital structure of the group consists of net debt (borrowings net of cash and cash equivalents, deposits accounts with maturity beyond three months upto twelve months and current investments) and total equity of the group. The group is not subject to any externally imposed capital requirements. The group's management reviews the capital structure of the group on periodic basis. As part of its review, the management considers the cost of capital and risk associated with each class of capital. The group also evaluates its gearing measures using Debt Equity Ratio to arrive at an appropriate level of debt and accordingly evolves its capital structure.

The following table provides the details of the debt and equity at the end of the reporting periods:

	As at March 31, 2021	As at March 31, 2020
Debt	3,468.58	4,134.51
Less:		
Cash and cash equivalents	138.29	116.44
Deposits accounts with maturity beyond three months upto twelve months	135.19	0.10
Current investments	412.52	198.50
Net debt	**2,782.58**	**3,819.47**
Total equity	**6,856.42**	**4,933.32**
Net debt to equity ratio	**0.41**	**0.77**

40.2 Financial instruments by category

Financial assets	Level of hierarchy	Notes	Carrying value as at		Fair value as at	
			As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Measured at amortised cost						
Trade Receivables		a	1,274.56	891.07	1,274.56	891.07
Cash and cash equivalents		a	138.29	116.44	138.29	116.44
Bank balances other than above		a	143.71	9.03	143.71	9.03
Loans		a, b	57.65	69.04	57.65	69.04
Other financial assets		a, b	179.60	186.16	179.60	186.16
			1,793.81	**1,271.74**	**1,793.81**	**1,271.74**
Measured at Fair value through profit and loss						
Investments in mutual funds and bonds/debentures	2	d	412.52	198.50	412.52	198.50
Derivative instruments	2	d	4.39	0.08	4.39	0.08
			416.91	**198.58**	**416.91**	**198.58**
Measured at Fair value through Other comprehensive income						
Investments in unquoted equity instruments	3	d	4.16	4.16	4.16	4.16
Derivative instruments	2	d	86.55	-	86.55	-
			90.71	**4.16**	**90.71**	**4.16**
Measured at amortised cost						
Borrowings		a, c	2,930.71	3,267.07	2,930.71	3,267.07
Trade payables		a	1,585.19	1,111.69	1,585.19	1,111.69
Other financial liabilities		a	892.54	1,076.78	892.54	1,076.78
			5,408.44	**5,455.54**	**5,408.44**	**5,455.54**
Measured at Fair value through profit and loss						
Derivative instruments	2	d	-	2.58	-	2.58
			-	**2.58**	**-**	**2.58**
Measured at Fair value through Other comprehensive income						
Derivative instruments	2	d	0.54	68.04	0.54	68.04
			0.54	**68.04**	**0.54**	**68.04**

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

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(b) Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

(c) Fair value of other long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.

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

There are no transfers between Level 1, Level 2 and Level 3 during the Year ended March 31, 2021 and March 31, 2020

Level 1:
Quoted prices in the active market: This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2:
Valuation techniques with significant observable inputs: This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of over the counter (OTC) derivative contracts, open ended mutual funds and bonds/debentures

Level 3:
Valuation techniques with significant unobservable inputs: This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

(i) Investments in mutual funds and bonds/debentures: Fair value is determined by reference to quotes from the financial institutions.

(ii) Derivative contracts: The group has entered into various foreign currency contracts and interest rate swaps contracts to manage its exposure to fluctuations in foreign exchange rates and interest rate respectively. These financial exposures are managed in accordance with the group's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the authorized dealers banks and forward exchange rates at the balance sheet date.

(iii) Unquoted equity investments: Fair value is determined based of the recoverable value as per agreement with the investee.

Reconciliation of Level 3 fair value measurements	Unlisted equity instruments
As at March 31, 2019	**0.11**
Purchases of investment	4.05
As at March 31, 2020	**4.16**
Purchases of investment	-
As at March 31, 2021	**4.16**

Sensitivity of the fair value measurement to changes in unobservable inputs for financial instruments in Level 3 level of hierarchy is insignificant.

40.3 Financial Risk Management

The group is exposed to various financial risks arising from its underlying operations and finance activities. The group is primarily exposed to market risk (i.e. interest rate and foreign currency risk) and to credit risk and liquidity risk. The Group's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management within the group is governed by policies and guidelines approved by the senior management and the Board of Directors. These policies and guidelines cover interest rate risk, foreign currency risk, credit risk and liquidity risk. Group policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function within the group. Review of the financial risk is done on a monthly basis by the Managing Director and on a quarterly basis by the Board of Directors. The objective of financial risk management is to contain, where deemed appropriate, exposures on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the group's results and financial position.

In accordance with its financial risk management policies, the group manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. It is the group's policy and practice neither to enter into derivative transactions for speculative purpose, nor for any purpose unrelated to the underlying business. The Board of Directors / Managing Director reviews and approves policies for managing each of the above risks.

40.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The group enters into derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk.

A. Foreign Currency Risk Management

Foreign currency risk also known as Exchange Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign currency risk in the group is attributable to group's operating activities, investing activities and financing activities.

In the operating activities, the group's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). In compliance with the Board approved policy, the Group manages the net exposure on a rolling 12 month basis and for exposures between 12 to 36 months, hedging is done based on specific exposure. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the group are mainly in U.S. Dollar (USD), Euro (EUR), Japanese Yen (JPY) and British pound sterling (GBP). The group's exposure to foreign currency changes for all other currencies is not material.

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in ₹are as follows:

	Assets		Liabilities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	824.27	280.30	1,946.21	1,576.55
EUR	257.67	114.34	1,124.86	813.85
JPY	-	-	11.28	6.87
GBP	10.96	4.13	13.12	0.26

Foreign currency sensitivity analysis

The group is mainly exposed to changes in USD, EURO, JPY and GBP exchange rates.

The following table details the group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2021		Year ended March 31, 2020	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss)*				
USD	5.73	(5.73)	9.18	(9.18)
EUR	3.60	(3.60)	1.21	(1.21)
JPY	0.11	(0.11)	0.07	(0.07)
GBP	0.02	(0.02)	(0.04)	0.04

*Includes sensitivity on long-term foreign currency monetary items on which Para D13 AA of Ind AS 101. Accordingly, the exchange loss/ (gain) arising on long term foreign currency monetary items relating to acquisition of depreciable assets will be added to/deducted from the cost of such assets/capital work-in-progress and will be depreciated over the balance useful life of assets.

Impact on equity (Other comprehensive income)				
USD	5.49	(5.49)	3.78	(3.78)
EUR	5.08	(5.08)	5.78	(5.78)

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Foreign exchange derivative and Non Derivative financial instruments

The group uses derivative as well as non derivative financial instruments for hedging financial risks that arise from its commercial business or financing activities. The group's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within 1 to 36 months for hedges of forecasted sales, purchases, loans and liabilities and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contracts*	No of Deals		Contract Value of Foreign Currency (In Millions)		Maturity: Up to 12 months Nominal Amount* (₹ Crores)		Maturity: More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD/INR Sell forward	264	196	513.25	254.56	2,029.40	1,243.67	1,998.63	680.78
EUR/INR sell forward	17	27	40.50	38.00	181.53	172.65	202.77	153.78
EUR/USD Sell forward	-	4	-	6.00	-	50.51	-	-
USD/THB Buy forward	20	-	18.48	-	129.98	-	-	-
EUR/USD Buy forward	20	9	15.67	15.14	135.55	110.33	-	-
USD/ZAR Buy forward	-	1	-	0.40	-	2.51	-	-
USD/ZAR Sell forward	-	1	-	0.40	-	2.60	-	-

* Computed using average forward contract rates

The following table details the group's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in forward rates. A positive number below indicates an increase in profit before tax or vice-versa.

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	Year ended March 31, 2021: Functional currency strengthens by 1%	Year ended March 31, 2021: Functional currency weakens by 1%	Year ended March 31, 2020: Functional currency strengthens by 1%	Year ended March 31, 2020: Functional currency weakens by 1%
Impact on profit / (loss) for the year				
USD	1.76	(1.76)	1.38	(1.38)
EUR	0.34	(0.34)	0.50	(0.50)
Impact on equity				
USD	36.47	(36.47)	19.60	(19.60)
EUR	2.05	(2.05)	3.31	(3.31)

B. Interest Rate Risk Management

Interest rate risk arises from movements in interest rates which could have effects on the group's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

The group manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings. The group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed principal amount outstanding at the time of inception of the swap. Out of the total long term borrowings, the amount of fixed interest loan is ₹ 898.62 Crores and floating interest loan is ₹ 1,531.65 Crores (Previous year : Fixed interest loan ₹ 995.04 Crores and Floating interest loan ₹ 2,096.36 Crores)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate long term borrowings, as follows:

	Year ended March 31, 2021: ₹ loans interest rate decreases by 0.50%	Year ended March 31, 2021: Foreign currency loans interest rate decreases by 0.15%	Year ended March 31, 2020: ₹ loans interest rate decreases by 0.50%	Year ended March 31, 2020: Foreign currency loans interest rate decreases by 0.15%
Increase in profit before tax by	2.85	1.44	1.48	2.70

In case of increase in interest rate by above mentioned percentage, there would be a comparable negative impact on the profit before tax as mentioned above.

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Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to USD-LIBOR and EUR-IBOR on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition. The management monitors the Group's transition to alternative rates. The management evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are linked to USD LIBOR. Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness.

Some of the Group's existing USD LIBOR cash flow hedging relationships extend beyond the anticipated cessation date for USD LIBOR. The Group will apply the amendments to Ind AS 109 issued via Companies (Indian Accounting Standards) Amendment Rules, 2020 issued by the Ministry of Corporate Affairs on July 24, 2020, to those hedging relationships directly affected by IBOR reform, as applicable.

Refer below for details regarding interest rate swaps.

Interest Rate Swap Contracts

Under interest rate swap (IRS) contracts, the group agrees to exchange the difference between fixed and floating rate interest amounts calculated on the agreed notional principal amounts. Such contracts enables the group to mitigate the risk of changing interest rates.

The following table details the IRS contracts outstanding at the end of the reporting period:

Outstanding Contracts	No of Deals		Contract Value of Foreign Currency (In Millions)		Maturity: Up to 12 months Nominal Amount* (₹ Crores)		Maturity: More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
IRS Contracts*	4	3	31.05	15.05	85.49	26.71	141.68	86.99

Each of the above trades are in the nature of cash flow hedges and are effective hedges. The mark to market on these trades is therefore routed through Cash flow Hedge Reserve. The interest rate swap and the interest payments on the loan are paid simultaneously and are charged to statement of profit and loss.

*Sensitivity on the above IRS contracts in respect of interest rate exposure is insignificant

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for the year ended March 31, 2021

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C. Hedge accounting

Cash flow hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2021: Nominal amount (₹ Crores)	As at March 31, 2021: Carrying amount Assets / (liabilities) (₹ Crores)	As at March 31, 2021: Line item where the hedging instrument is included	Year ended March 31, 2021: Change in the value of the hedging instrument recognised in OCI (₹ Crores)	As at March 31, 2020: Nominal amount (₹ Crores)	As at March 31, 2020: Carrying amount Assets / (liabilities) (₹ Crores)	As at March 31, 2020: Line item where the hedging instrument is included	Year ended March 31, 2020: Change in the value of the hedging instrument recognised in OCI (₹ Crores)
Foreign exchange contracts	4677.87	85.54	Other financial assets / liabilities (current and non - current)	151.16	2,224.80	(65.62)	Other financial assets / liabilities (current and non - current)	(88.50)
Foreign currency denominated loans	1055.91	(1,055.91)	Non-Current/ current borrowings	(1.27)	955.86	(955.86)	Non-current borrowing	(65.90)
Interest rate swap contacts	227.17	1.01	Other financial assets (current and non - current)	1.01	113.70	-	Other financial assets (current and non - current)	(6.14)
		(0.54)	Other financial liabilities (current and non - current)	1.88		(2.42)	Other financial liabilities (current and non - current)	

Fair Value hedges

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2021: Nominal amount (₹ Crores)	As at March 31, 2021: Carrying amount Assets / (liabilities) (₹ Crores)	As at March 31, 2021: Line item where the hedging instrument is included	Year ended March 31, 2021: Change in the value of the hedging instrument recognised in consolidated statement of Profit and loss	As at March 31, 2020: Nominal amount (₹ Crores)	As at March 31, 2020: Carrying amount Assets / (liabilities) (₹ Crores)	As at March 31, 2020: Line item where the hedging instrument is included	Year ended March 31, 2020: Change in the value of the hedging instrument recognised in consolidated statement of Profit and loss (₹ Crores)
Foreign exchange contracts	-	4.39	Other financial assets / liabilities (current and non - current)	6.89	192.01	(2.50)	Other financial assets / liabilities (Current and Non - current)	(3.13)

(All amounts in ₹ Crores, unless otherwise stated)

Movement of cash flow hedging reserve and cost of hedging reserve :

Particulars	Cash flow hedging reserve		Cost of hedging reserve	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Opening Balance	**(78.56)**	**24.39**	**-**	**-**
Changes in the spot element of the forward contracts which is designated as hedging instruments for time period related hedge	8.59	-	-	-
Changes in the forward element of the forward contracts where changes in spot element of forward contract is designated as hedging instruments for time period related hedges	-	-	7.74	-
Changes in fair value of forward contracts designated as hedging instruments	130.71	(88.49)	-	-
Changes in fair value of interest rate swaps	2.89	(6.14)	-	-
Amount reclassified to profit or loss (Foreign exchange (gain) / loss)	3.12	-	(4.28)	
Amount arising from remeasurement of financial liability	(12.98)	(65.90)	-	-
Taxes related to above	(46.24)	57.58	(0.33)	
Closing Balance	**7.53**	**(78.56)**	**3.13**	**-**

40.3.2 Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables, loans and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Investments of surplus funds are made only with counterparties who meet the parameters specified in Investment Policy of the groups. The investment policy is reviewed by the group's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as the minimize the concentration of risks and therefore mitigate financial loss due to counterparty's potential failure.

Expected credit loss on financial assets:

To manage credit risk for trade receivables, the group establishes credit approvals and credit limits, periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets other than as detailed below.

Loss allowance for the following financial assets have been recognised by the group:

	Note No.	As at March 31, 2021	As at March 31, 2020
Loans - current	8	2.74	2.74
Trade receivables	13	5.03	3.61
		7.77	**6.35**

Movement of loss allowance :

	Loans (current and non current)	Trade receivables
As at March 31, 2019	**2.81**	**2.49**
Provided during the year	0.17	1.88
Reversed/ utilised during the year	(0.24)	(0.76)
As at March 31, 2020	**2.74**	**3.61**
Provided during the year	0.24	11.70
Reversed/ utilised during the year	(0.24)	(10.28)
As at March 31, 2021	**2.74**	**5.03**

Other than financial assets mentioned above, none of the group's financial assets are impaired, as there are no indications that defaults in payments obligation would occur.

40.3.3 Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the group to meet its financial obligations. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of money market instruments, bank overdrafts, bank loans, debentures and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director, Chief Financial Officer and Treasury Head. The group assesses the concentration of risk with respect to refinancing its debt, guarantee given and funding of its capital expenditure according to needs of the future. The group manages its liquidity by holding appropriate volumes of liquid assets which are available for its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyse the group's financial liabilities into relevant maturity profiles based on their contractual maturities:

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	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2021				
Borrowings*	1,477.41	1,806.11	214.67	**3,498.19**
Lease Liabilities**	19.30	53.85	53.68	**126.83**
Trade payables	1,585.19	-	-	**1,585.19**
Other financial liabilities	432.29	0.54	-	**432.83**
	3,514.19	**1,860.50**	**268.35**	**5,643.04**

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2020				
Borrowings*	1,818.32	2,096.42	280.67	**4,195.41**
Lease Liabilities**	20.06	57.23	65.09	**142.38**
Trade payables	1,111.69	-	-	**1,111.69**
Other financial liabilities	344.79	22.87	-	**367.66**
	3,294.86	**2,176.52**	**345.76**	**5,817.14**

*including current maturity of non-current borrowings and future cash outflow towards estimated interest on non -current borrowings.

**including future cash outflow towards estimated interest on lease liabilities.

41. Contract Balances

The following table provides information about contract assets and contract liabilities from contracts with customers

Contract assets	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	-	25.52
Increase as a result of changes in measure of progress	-	-
Transfer from contract assets recognised at the beginning of the year to receivables	-	25.52
	-	**-**

Contract liability	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	12.68	16.69
Revenue recognised that was included in the contract liability balance at the beginning of the period	(12.68)	(16.69)
Increase due to cash received, excluding the amount recognised as revenue during the period	18.40	12.68
	18.40	**12.68**

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42. Non - current assets held for sale and Discontinued operation

A. Engineering Plastics Business

(a) Description

On May 11, 2019, the Company entered into a business transfer agreement for sale of its Engineering Plastics Business, which has been divested with effect from August 1, 2019. The business was reported under "Others segment" in accordance with the requirements of Ind AS 108 – "Operating Segments" in the financial statements till the year prior to the previous year. The relevant financial information of the said business has been disclosed under discontinued operations in terms of Ind AS 105- "Non-current assets held for sale and discontinued operations" as below:

(b) Financial performance and cash flow information

Sl. no.		Particulars	Year ended March 31, 2021	Year ended March 31, 2020
I	(a)	Sale of Products	-	74.87
	(b)	Other operating Revenues	-	0.26
	(c)	**Revenue from operations {I(a)+I(b)}**	**-**	**75.13**
	(d)	Other income	-	-
	(e)	**Total income {I(c)+I(d)}**	**-**	**75.13**
	(f)	Total expenses	-	67.05
	(g)	**Profit before tax for the period from discontinued operations {I(e)-I(f)}**	**-**	**8.08**
	(h)	Tax expense related to discontinued operations	-	2.82
	(i)	**Net Profit after tax for the period from discontinued operations {I(g)-I(h)}**	**-**	**5.26**
II	(a)	**Profit before tax on disposal of discontinued operations**	**-**	**233.74**
	(b)	Tax expense related to disposal of discontinued operations	-	58.41
	(c)	**Net Profit after tax on disposal of discontinued operations {II(a)-II(b)}**	**-**	**175.33**
III		**Net Profit after tax for the period from discontinued operations {I(i)+II (c)}**	**-**	**180.59**
IV		Net cash generated from operating activities	-	17.29
V		Net cash generated from / (used in) investing activities	-	268.92
VI		Net cash used in financing activities	-	(0.14)

(c) Revenue from major products

	Year ended March 31, 2021	Year ended March 31, 2020
Nylon/ PBT/ PC compounding chips	-	74.87

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(d) Details of disposal of discontinued operations:

	Year ended March 31, 2021	Year ended March 31, 2020
Proceeds from sale of business	-	315.77
Carrying amount of net assets transferred	-	(76.32)
Costs incurred on sale of business	-	(5.71)
Profit before tax on disposal of discontinued operations	-	**233.74**
Tax expense related to disposal of discontinued operations	-	(58.41)
Net Profit after tax on disposal of discontinued operations	-	**175.33**

(e) The carrying amounts of assets and liabilities as at the date of sale were as follows:

	As at July 31, 2019
Property, plant and equipment	44.86
Goodwill	0.79
Intangible assets	0.22
Inventory	25.07
Trade receivables	25.27
Other assets	0.42
Total assets	**96.63**
Trade payables	(19.59)
Other liabilities and provisions	(0.72)
Total liabilities	**(20.31)**
Net assets transferred	**76.32**

B. Technical Textiles Business of SRF Industries(Thailand) Limited

(a) Description

SRF Industries(Thailand) Limited closed its Technical Textiles Business operations located at Rayong, Thailand w.e.f. October 21, 2019. The business was reported as part of Technical Textiles Business as per requirements of Ind AS 108 – "Operating Segments" in the consolidated financial results till last year. The financial information of the said business have been classified as Discontinued Operations as per requirements of INDAS 105 - "Non -current assets held for sale and discontinued operations". The relevant assets and liabilities have been recognised at estimated fair value and all future realizations / settlements of said assets / liabilities will continue to be shown under discontinued operations. The particulars of said discontinued operations are as under:

(b) Financial performance and cash flow information

Sl. no.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
I (a)	Sale of Products	-	133.59
(b)	Other operating Revenues	2.26	0.52
(c)	**Total revenue from operations {I(a)+I(b)}**	**2.26**	**134.11**
(d)	Other income	6.22	1.81
(e)	**Total income {I(c)+I(d)}**	**8.48**	**135.92**

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Sl. no.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(f)	Total expenses excluding point no.(g)	11.21	151.60
(g)	Impact on account of fair value measurement loss / (gain) on assets/liabilities	-	70.29
(h)	**Profit / (loss) before tax from discontinued operations {I(e)-I(f)-I(g)}**	**(2.73)**	**(85.97)**
(i)	Tax expense / (gain) related to discontinued operations	(2.42)	(8.57)
II	**Net Profit / (loss) after tax from discontinued operations{1(h)-I(i)}**	**(0.31)**	**(77.40)**
III	Net cash generated from operating activities	(1.64)	(4.11)
IV	Net cash generated from investing activities	17.91	(2.56)
V	Net cash used in financing activities	(0.06)	(0.55)

(c) Revenue from major products

	Year ended March 31, 2021	Year ended March 31, 2020
Nylon tyre cord fabric/ Polyester tyre cord fabric / Belting fabric	-	133.59

(d) Assets classified as held for sale

	As at March 31, 2021	As at March 31, 2020
Property plant and equipment	-	11.84

C. Pursuant to requirements of Ind AS 105, the amounts in the consolidated statement of profit and loss (and related notes) for the current year and the previous year have been presented for continuing operations, as applicable unless otherwise stated.

43. Leases

The group leases various types of assets including land, buildings and Plant & Machinery. Information about leases for which the group is a lessee is presented below.

Right-of-use assets	Land*	Buildings	Plant and equipment	Total
Cost				
Balances at April 1, 2019	**141.57**	**43.96**	**21.67**	**207.20**
Additions/adjustments	13.89	1.02	28.96	43.87
Disposals/adjustments	(7.42)	-	-	(7.42)
Balance at March 31,2020	**148.04**	**44.98**	**50.63**	**243.65**
Additions/adjustments	3.25	2.13	1.86	7.24

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Right-of-use assets	Land*	Buildings	Plant and equipment	Total
Disposals/adjustments	-	(0.86)	(2.60)	(3.46)
Balance at March 31,2021	**151.29**	**46.25**	**49.89**	**247.43**
Accumulated amortisation				
Balances at April 1, 2019	**-**	**-**	**-**	**-**
Depreciation expenses	1.54	6.76	8.44	16.74
Disposals/adjustments	(0.67)	-	-	(0.67)
Balances at March 31, 2020	**0.87**	**6.76**	**8.44**	**16.07**
Depreciation expenses	1.68	7.07	9.31	18.06
Disposals/adjustments	-	(0.86)	(2.60)	(3.46)
Balance at March 31,2021	**2.55**	**12.97**	**15.15**	**30.67**
Net block				
Balance at March 31, 2020	**147.17**	**38.22**	**42.19**	**227.58**
Balance at March 31, 2021	**148.74**	**33.28**	**34.74**	**216.76**

*The execution of lease deed of land in respect of 11,49,550 sq. mtrs. (Previous year : 11,49,550 sq. mtrs) of leasehold land allotted to the group by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

Lease liabilities included in the Balance Sheet	As at March 31, 2021	Year ended March 31, 2020
Current	13.80	13.71
Non-current	63.83	73.98

The average incremental borrowing rate applied to lease liabilities during the year ranges from 6.50% to 8.00% (Previous year: 8%)

Amounts recognised in Statement of Profit and Loss	Year ended March 31, 2021	As at March 31, 2020
Interest on lease liabilities	6.49	6.70
Depreciation expense	18.06	16.74
Expenses relating to short-term leases and leases of low-value assets (Refer note 30)	17.92	14.78

Amounts recognised in Cash Flow Statement	Year ended March 31, 2021	As at March 31, 2020
Total cash outflow for leases	20.19	18.87

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for the year ended March 31, 2021

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44. Group Information

Name	Principal activities	Country of incorporation	% equity interest March 31, 2021	% equity interest March 31, 2020
SRF Holiday Home Limited	Development and lease of Industrial, commercial and residential complexes	India	100%	100%
SRF Employees Welfare Trust (Controlled Trust)	Implementation and operationalisation of long term incentive plans of the Company	India	*	*
SRF Global BV	Investment company	Netherlands	100%	100%
SRF Flexipak (South Africa) (Pty) Limited (subsidiary of SRF Global BV)	Manufacture of BOPP and metallized BOPP films	Republic of South Africa	100%	100%
SRF EUROPE Kft (subsidiary of SRF Global BV)	Manufacture of Polyester film and metallized Polyester film	Hungary	100%	100%
SRF Industries (Thailand) Limited (subsidiary of SRF Global BV)	Manufacture of Tyre cord fabric, Polyester film and metallized Polyester film & trading of chemical products	Thailand	100%	100%
SRF Industex Belting (Pty) Limited (subsidiary of SRF Global BV)	Trading of chemical products	Republic of South Africa	100%	100%

*By virtue of management control.

45. Additional information as required by Paragraph 2 of General Instructions for preparation of consolidated financial statements to the Schedule III to the Companies Act, 2013

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss^		Share in other comprehensive income^		Share in total comprehensive income^	
	As % of consolidated net assets	Amount (₹ Crores)	As % of consolidated Share in profit or loss	Amount (₹ Crores)	As % of consolidated other comprehensive income	Amount (₹ Crores)	As % of total consolidated comprehensive income	Amount (₹ Crores)
I Parent - SRF Limited	92%	6,295.27	77%	925.06	69%	88.28	76%	1,013.34
II Subsidiaries:								
A Indian								
1 SRF Holiday Home Limited	-	3.75	-	0.01	-	-	-	0.01

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Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss^		Share in other comprehensive income^		Share in total comprehensive income^	
	As % of consolidated net assets	Amount (₹ Crores)	As % of consolidated Share in profit or loss	Amount (₹ Crores)	As % of consolidated other comprehensive income	Amount (₹ Crores)	As % of total consolidated comprehensive income	Amount (₹ Crores)
2 SRF Employees Welfare Trust (Controlled Trust)	-	*	-	**	-	-	-	**
B. Foreign								
1 SRF Global BV (Consolidated)	10%	655.47	23%	273.45	31%	39.22	24%	312.67
Adjustments arising out of consolidation	(2%)	(98.07)	-	(0.58)	-	-	-	(0.58)
Total	**100%**	**6,856.42**	**100%**	**1,197.94**	**100%**	**127.50**	**100%**	**1,325.44**
Non-controlling Interests in all subsidiaries	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

*Amount in absolute ₹ 23, 373 (Previous year - ₹ 35,957)

**Amount in absolute ₹ (13,234) (Previous year - (7,426))

^Includes discontinued operations

46. Additional Disclosures

(a) Research and Development Expenditure

The details of research and development expenditure of ₹110.50 crores (Previous Year - ₹ 132.77 crores) included in these financials statements are as under:

Contract assets	Year ended March 31, 2021	Year ended March 31, 2020
Capital expenditure	13.46	33.09
Revenue expenditure	97.04	99.68
	110.50	**132.77**

The details of revenue expenditure incurred on research and development is as below:

Contract assets	Year ended March 31, 2021	Year ended March 31, 2020
Cost of material consumed	2.73	1.51
Salaries and wages, including Bonus	42.97	37.85
Contribution to provident and other funds	2.61	2.45
Workmen and staff welfare expenses	2.72	3.62
Stores and spares consumed	6.11	6.15
Power and fuel	4.84	7.74

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Contract assets	Year ended March 31, 2021	Year ended March 31, 2020
Rent	-	0.04
Repairs and maintenance		
- Plant and machinery	8.32	10.86
- Others	0.58	1.26
Insurance	0.96	0.87
Rates and taxes	0.07	0.04
Travelling and conveyance	0.16	1.27
Legal and professional charges	3.58	3.95
Depreciation and amortisation expense	18.33	19.09
Interest cost	0.28	0.36
Miscellaneous expenses	2.78	2.62
	97.04	**99.68**

(b) Managerial Remuneration

(i) (a) Remuneration to Chairman / Managing Director / Deputy Managing Director / Whole time Director	Year ended March 31, 2021	Year ended March 31, 2020
Salary and contribution to provident and other funds	12.04	11.05
Value of perquisites	2.36	2.26
Commission	12.00	9.50
SUB-TOTAL	**26.40**	**22.81**
(b) Remuneration to Non Executive Directors		
Commission	0.84	0.72
Directors sitting fees	0.27	0.21
Other fees	0.14	0.12
SUB-TOTAL	**1.25**	**1.05**
TOTAL	**27.65**	**23.86**

(c) The Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13 AA of Ind AS 101. Accordingly, exchange loss/ (gain) arising on all long term monetary items financed or re-financed on or before March 31, 2016 relating to acquisition of following depreciable assets are added to/ adjusted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of such assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Exchange loss/ (gain) added/ (adjusted)	Year ended March 31, 2021	Year ended March 31, 2020
Property, plant and equipment		
- Roads	(0.52)	0.66
- Buildings	(6.98)	8.86
- Plant and equipment	(31.59)	61.44
- Furniture and fixtures	(0.14)	0.18
- Office equipment	(0.01)	0.03
	(39.24)	**71.17**
Other Intangible Assets		
- Trade marks/ Brands	-	0.33
- Technical knowhow	-	0.19
- Others	-	0.09
	-	**0.61**

The cumulative exchange loss/ (gain) added/ (adjusted) and remaining unamortised as at March 31, 2021 is ₹ 259.14 Crores (Previous year: ₹ 299.84 Crores).

(d) Disclosure on corporate social responsibility expense:

	Year ended March 31, 2021	Year ended March 31, 2020
(i) Prescribed CSR expenditure as per Section 135 of the Companies Act, 2013	12.88	11.63
(ii) Amount approved by the Board to be spent during the year	12.88	12.00
(iii) Actual amount spent during the year on purposes other than construction / acquisition of an asset (Also Refer note 35.2)	10.18	12.00
Details of expenditure:		
- In respect of ongoing projects (Rural education and skill programme) :		
a) Amount required to be spent during the year	7.00	-
b) Actual amount spent during the year from company's bank account	4.30	-
c) Remaining unpaid at the end of the year with the company*	2.70	-
- In respect of other than ongoing projects:		
a) Amount required to be spent during the year	5.88	11.63
b) Actual amount spent during the year from company's bank account	5.88	12.00

*Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the unspent amount has been subsequently deposited in a "Unspent CSR Account".

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for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(e) The Code of Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once its effective.

(f) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2021 is to be conducted on or before due date of the filing of return and the Company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

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

Kaushal Kishore
Partner
Membership No.: 090075
Place : Delhi
Date : May 21, 2021

For and on behalf of the Board of Directors

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

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

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram
Date : May 05, 2021

Rahul Jain
President & CFO
Place : Gurugram
Date : May 05, 2021

Rajat Lakhanpal
Vice President
(Corporate Compliance) and
Company Secretary
Place : Delhi
Date : May 05, 2021

Statement pursuant to first proviso to sub section(3) of section 129 of Companies Act 2013,read with rule 5 of Companies (Accounts) Rules, 2014 in prescribed form AOC-1 relating to subsidiaries/associates companies/joint ventures

A Statement showing salient features of the financial statements of subsidiaries

Indian Subsidiaries

Sl. No.	Name of the subsidiary	SRF Holiday Home Limited (₹ Crores)
(a)	Reporting Period	April 1, 2020 to March 31, 2021
(b)	Date since when subsidiary was acquired/formed	30.01.2008
(c)	Reporting Currency	INR
(d)	Exchange Rate	-
(e)	Share Capital	4.00
(f)	Reserves and Surplus	(0.25)
(g)	Total Assets	3.77
(h)	Total Liabilities(external liabilities)	0.02
(i)	Investment	-
(j)	Turnover	-
(k)	Profit/(Loss) Before Taxation	0.006
(l)	Tax expense / (income)	-
(m)	Profit/(Loss) After Taxation	0.006
(n)	Proposed Dividend	-
(o)	% of shareholding	100%

Foreign Subsidiaries

Sl. No.	Name of the subsidiary	SRF Global BV# (subsidiary of SRF Limited)		SRF Flexipak (South Africa) (Pty) Limited# (subsidiary of SRF Global BV)	
		USD	₹ Crores	Rand	₹ Crores
(a)	Reporting Period	April 1, 2020 to March 31, 2021		April 1, 2020 to March 31, 2021	
(b)	Date since when subsidiary was acquired/formed	20.10.2008		26.10.2011	
(c)	Reporting Currency	USD		Rand	
(d)	Exchange Rate	73.15		4.95	
(e)	Share Capital	1,83,15,664	133.98	100	0.00
(f)	Reserves and Surplus	(2,39,06,808)	(174.88)	32,01,56,159	158.48
(g)	Total Assets	8,80,46,910	644.06	84,93,71,682	420.44
(h)	Total Liabilities(external liabilities)	9,36,38,054	684.96	52,92,15,423	261.96
(i)	Investment	*	*	-	-
(j)	Turnover	-	-	1,06,39,26,332	526.64
(k)	Profit/(Loss) Before Taxation	(7,27,698)	(5.32)	29,79,03,724	147.46
(l)	Tax expense / (income)	-	-	8,35,44,614	41.35
(m)	Profit/(Loss) After Taxation	(7,27,698)	(5.32)	21,43,59,110	106.11
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

*Investment in subsidiary USD 1,13,23,713 (Equivalent to ₹ 82.83 crores)

Sl. No.	Name of the subsidiary	SRF Industries (Thailand) Limited# (subsidiary of SRF Global BV)		SRF Industex Belting (Pty) Limited# (subsidiary of SRF Global BV)	
		THB	₹ Crores	Rand	₹ Crores
(a)	Reporting Period	April 1, 2020 to March 31, 2021		April 1, 2020 to March 31, 2021	
(b)	Date since when subsidiary was acquired/formed	08.09.2008		13.06.2008	
(c)	Reporting Currency	THB		Rand	
(d)	Exchange Rate	2.34		4.95	
(e)	Share Capital	10,00,00,300	23.40	1,33,20,202	6.59
(f)	Reserves and Surplus	2,12,39,30,026	497.00	(4,96,18,394)	(24.56)
(g)	Total Assets	6,49,96,28,366	1,520.91	1,22,77,712	6.08
(h)	Total Liabilities(external liabilities)	4,27,56,98,040	1,000.51	4,85,75,904	24.05
(i)	Investment	-	-	-	-
(j)	Turnover	3,21,51,27,643	752.34	64,17,635	3.18
(k)	Profit/(Loss) Before Taxation	88,66,33,414	207.47	99,64,911	4.93
(l)	Tax expense / (income)	(15,29,107)	(0.36)	-	-
(m)	Profit/(Loss) After Taxation	88,81,62,521	207.83	99,64,911	4.93
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

Sl. No.	Name of the subsidiary	SRF Europe Kft# (subsidiary of SRF Global BV)	
		EURO	₹ Crores
(a)	Reporting Period	April 1, 2020 to March 31, 2021	
(b)	Date since when subsidiary was acquired/formed	25.04.2018	
(c)	Reporting Currency	EURO	
(d)	Exchange Rate	85.78	
(e)	Share Capital	10,10,000	8.66
(f)	Reserves and Surplus	(1,43,167)	(1.23)
(g)	Total Assets	9,99,58,743	857.45
(h)	Total Liabilities(external liabilities)	9,90,91,910	850.01
(i)	Investment	-	-
(j)	Turnover	2,23,40,346	191.64
(k)	Profit/(Loss) Before Taxation	(9,93,819)	(8.52)
(l)	Tax expense / (income)	8,141	0.07
(m)	Profit/(Loss) After Taxation	(10,01,960)	(8.59)
(n)	Proposed Dividend	-	-
(o)	% of shareholding	100%	

#The financial statements of these foreign subsidiaries have been converted into Indian Rupees on the basis of following exchange rates:

(i)	1 USD = ₹ 73.15
(ii)	1 Baht = ₹ 2.34
(iii)	1 Rand = ₹ 4.95
(iv)	1 Euro = ₹ 85.78

B Statement containing salient features of the financial statements of associates companies/ joint ventures

Name of Associate Companies/Joint Ventures#	Malanpur Captive Power Ltd.	Vaayu Renewable Energy(Tapti) Pvt. Ltd.
Latest audited Balance Sheet date	31.03.2020	31.03.2020
Date on which the Associate was associated or acquired	09.01.2007	29.05.2013
Shares of associate held by the company on the year end (Number of shares)	42,21,535	50,000
Amount of investment in Associate Companies	4.22	0.05
Extent of holding (%)	22.60%	26.32%
Description of how there is significant influence	Due to control of at least 20% of total share capital as envisaged in Sec. 2(6) of the Companies Act, 2013	Due to control of at least 20% of total share capital as envisaged in Sec. 2(6) of the Companies Act, 2013
Reason why the associate company is not consolidated	*	*
Net worth attributable to shareholding as per latest Audited Balance Sheet	(7.10)	12.30
Profit & loss for the year		
(i) Considered in Consolidation	Nil	Nil
(ii) Not considered in Consolidation	(0.29)	0.50

The company has no joint venture

*Investment in both these group captive power companies are held by the company as a consumer in accordance with the requirements of the Electricity Act, 2005. The company does not exercise significant influence as defined under IND AS over these companies and therefore their annual accounts are not consolidated with the annual accounts of the company.

For and on behalf of the Board of Directors

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

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

Bharti Gupta Ramola
Director
DIN - 00356188
Place : Gurugram
Date : May 05, 2021

Rahul Jain
President & CFO
Place : Gurugram
Date : May 05, 2021

Rajat Lakhanpal
Vice President
(Corporate Compliance) and
Company Secretary
Place : Delhi
Date : May 05, 2021