INDEPENDENT AUDITORS' REPORT

To the Members of SRF Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

The key audit matter	How the matter was addressed in our audit
Accounting for derivatives An important element of Company's fund-raising strategy involves various types of borrowings including foreign currency denominated borrowings and a combination of fixed and floating interest rates, and also foreign currency denominated loans and advances to other parties. The Company's operating activities are also exposed to significant foreign exchange risk (refer to note 38 of the standalone financial statements). The Company uses derivative financial instruments to mitigate foreign currency risk and interest rate risk primarily through foreign currency forward exchange contracts and interest rate swaps. Further, the Company has been using hedge relationship designation as per criteria set out in relevant Indian accounting standards. Accounting thereof and related presentation and disclosures of these transactions require significant judgement. Given the significant level of judgement and estimation involved and the quantitative significance, we have determined this to be a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • Tested the design, implementation and operating effectiveness of controls over the Company's treasury and other related functions which directly impact the relevant account balances and transactions, including hedge accounting. • For selected samples via statistical sampling, obtained external confirmations from counterparties of the year end positions as well as agreed to original agreements. • Performed sample tests of valuation and accounting of these transactions. In doing so we have involved valuation specialists to assist us in carrying out aforesaid procedure, as considered necessary. • Assessed the adequacy of disclosures in the financial statements in respect of both non-derivative and derivative financial instruments.

Other Information

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

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

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

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. (A) As required by Section 143(3) of the Act, we report that:

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

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

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

    e) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

    i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements;

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

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

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

   (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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

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

Kaushal Kishore
Partner
Membership No.: 090075
UDIN: 21090075AAAAAJ3973

Place: Delhi
Date: 21 May 2021

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

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

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

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

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

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

Particulars of the land and building	Gross Block 31 March 2021 (₹ in crores)	Net Block 31 March 2021 (₹ in crores)	Remarks
Land at Gummudipoondi	1.21	1.21	Out of the Industrial Free hold land measuring 32.41 acres at the Company's plant in Gummidipoondi, the Company does not have clear title to 2.43 acres.
Land at Bharuch, Dahej	108.55 (Carried cost)	108.55 (Carried cost)	The execution of lease deed of land in respect of 1,149,550 square meters of leasehold land allotted to the Company by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

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

(iii) According to the information and explanations given to us, the Company has granted unsecured loans to a company covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'):

a) In our opinion, the rate of interest and other terms and conditions on which the loans have been granted to the aforesaid company listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company;

b) In case of the loans granted to the aforesaid company, listed in the register maintained under Section 189 of the Act, the schedule of repayment of the principal and payment of interest has been stipulated in the loan agreement and, as per the terms stipulated, no amount was due during the current year;

c) There are no overdue amounts in respect of the loans granted to the aforesaid company listed in the register maintained under Section 189 of the Act. Accordingly, para 3 (iii) (c) of the Order is not applicable.

According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.

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

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

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

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Sales-tax, GST, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues, as applicable, were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (₹ Crores)
Central Excise Laws	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2009-2015	14.11
		Upto Commissioner (Appeals)	1993-2002	9.32
Service Tax Laws	Service Tax	Upto Commissioner (Appeals)	2006-2015	1.58

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (₹ Crores)
Service Tax Laws	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2008-2012	0.98
Customs Laws	Customs Duty	Supreme Court	2012-2013	1.27
		High Court	2016-2019	0.27
		Upto Commissioner (Appeals)	2002	0.17
Sales Tax Laws	Sales Tax	High Court	2015-2016	0.34
		Sales Tax Appellate Tribunal	1993-2017	5.34
		Upto Commissioner (Appeals)	1988-2017	8.02
Income Tax Laws	Income Tax	Supreme Court	Assessment year ('AY') 1989-1990	1.13
		Upto Commissioner (Appeals)	AY 2019-2020	0.66
		Dispute Resolution Panel (DRP)	AY 2016-2017	4.04
Goods & Service tax Laws	Goods & Services tax	Upto Commissioner (Appeals)	2017-2019	0.28

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

Name of the Statute	Nature of the dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount (₹ Crores)*
Income Tax Laws	Income Tax	High Court	AY 2000-2004	5.55
Central Excise Laws	Excise Duty	High Court	1994-1995	1.18
		Upto Commissioner (Appeals)	1989-1995	2.24
Custom Duty	Custom Duty	Upto Commissioner (Appeals)	2012-2013	0.01

* The amounts disclosed are net of payments and include interest and penalties, wherever applicable.

Also refer to note 31(b)(ii) of the standalone financial statements with regard to income tax demand raised subsequent to year-end.

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

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loans have been applied by the Company during the year for the purposes for which they were raised. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, during the current year, the Company has raised ₹ 250 crores through private placement of non-convertible debentures. The proceeds of the issue have been utilized for repayment of borrowings. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/further public offer (including debt instruments) during the year. Also refer to sub-para (xiv) below in respect of the Qualified Institutional Placement made by the Company during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

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

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

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

(xiv) According to the information and explanations given by the management, the Company has complied with the provisions of section 42 of the Companies Act, 2013 in respect of the shares issued through Qualified Institutional Placement (QIP) during the year. The proceeds from QIP is ₹ 750 crores. The proceeds of the issue (net of share issue expenses of ₹ 11.99 crores) have been utilized for repayment of borrowings. During the year, the Company did not make preferential allotment/private placement of fully/partly convertible debentures.

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

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

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

Kaushal Kishore
Partner
Membership No. 090075
UDIN: 21090075AAAAAJ3973

Place: Delhi
Date: 21 May 2021

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

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

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of SRF Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Kaushal Kishore
Partner
Membership No. 090075
UDIN: 21090075AAAAAJ3973

Place: Delhi
Date: 21 May 2021

BALANCE SHEET
as at March 31, 2021
(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	5,568.33	5,303.64
Right-of-use assets	37	216.76	227.58
Capital work-in-progress		436.13	345.88
Goodwill	3	0.62	0.62
Other intangible assets	4	109.88	116.46
Financial assets			
(i) Investments	5	87.76	87.76
(ii) Loans	6	382.61	43.89
(iii) Other financial assets	7	44.70	15.86
Non-current tax assets (net)	20	33.74	35.03
Other non-current assets	8	173.36	27.96
Total non - current assets		7,053.89	6,204.68
Current assets			
Inventories	9	1,286.70	1,110.32
Financial assets			
(i) Investments	5	412.52	198.50
(ii) Trade receivables	10	1,012.00	768.71
(iii) Cash and cash equivalents	11	86.72	98.26
(iv) Bank balances other than above	12	143.71	9.03
(v) Loans	6	283.67	8.41
(vi) Other financial assets	7	215.45	170.16
Other current assets	8	216.64	251.51
Total current assets		3,657.41	2,614.90
TOTAL ASSETS		**10,711.30**	**8,819.58**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	60.26	58.50
Other equity	14	6,235.01	4,625.75
Total equity		6,295.27	4,684.25
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	1,422.24	1,117.43
(ii) Lease liabilities	37	63.83	73.98
(iii) Other financial liabilities	19	0.54	22.87
Provisions	16	38.23	33.28
Deferred tax liabilities (net)	17	326.46	124.42
Total non - current liabilities		1,851.30	1,371.98

BALANCE SHEET (CONTD.)
as at March 31, 2021
(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Current liabilities			
Financial liabilities			
(i) Borrowings	15	762.26	804.80
(ii) Lease liabilities	37	13.80	13.71
(iii) Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		33.37	30.36
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,163.12	927.08
(iv) Other financial liabilities	19	499.66	891.72
Other current liabilities	21	75.79	80.29
Provisions	16	7.00	5.64
Current tax liabilities (net)	20	9.73	9.75
Total current liabilities		2,564.73	2,763.35
Total Liabilities		4,416.03	4,135.33
TOTAL EQUITY AND LIABILITIES		**10,711.30**	**8,819.58**
Summary of significant accounting policies	1B		
See accompanying notes to the standalone financial statements	2 to 41		

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

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

For and on behalf of the Board of Directors

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

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

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

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

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

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars		Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue from operations	22	6,988.32	6,330.84
II	Other income	23	63.30	53.29
III	**Total Income (I + II)**		**7,051.62**	**6,384.13**
IV	**Expenses**			
	Cost of materials consumed	24.1	3,278.50	3,198.85
	Purchases of stock-in-trade	24.2	60.49	91.40
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.3	(28.21)	(95.74)
	Employee benefits expense	25	534.13	487.08
	Finance costs	26	111.21	182.11
	Depreciation and amortisation expense	27	383.60	353.21
	Other expenses	28	1,401.93	1,386.74
	Total Expenses (IV)		**5,741.65**	**5,603.65**
V	**Profit before tax from continuing operations (III - IV)**		**1,309.97**	**780.48**
VI	**Tax expense related to continuing operations**	29		
	Current tax		327.23	104.26
	Deferred tax			
	MAT credit entitlement		(5.38)	(36.73)
	Others		63.06	(80.64)
	Total tax expense related to continuing operations		**384.91**	**(13.11)**
VII	**Profit for the year from continuing operations (V - VI)**		**925.06**	**793.59**
VIII	**Profit before tax from discontinued operations**	40	**-**	**241.82**
IX	**Tax expense related to discontinued operations**	29	**-**	**61.23**
X	**Profit for the year from discontinued operations (VIII - IX)**		**-**	**180.59**
XI	**Total Profit for the year (VII + X)**		**925.06**	**974.18**
XII	**Other comprehensive income**			
A	Items that will not be reclassified to profit or loss			
	(i)(a) Gain / (loss) of defined benefit obligation	14.2, 33.2	2.41	(8.19)
	(i)(b) Income tax on item (i)(a) above	14.2, 30	(0.84)	2.86
B	Items that will be reclassified to profit or loss			
	(i)(a) Effective portion of gain / (loss) on hedging instruments in a cash flow hedge	14.3	132.33	(164.79)

STATEMENT OF PROFIT AND LOSS (CONTD.)

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars		Note No.	Year ended March 31, 2021	Year ended March 31, 2020
	(i)(b) Income tax on item (i)(a) above	14.3, 30	(46.24)	57.58
	(ii)(a) Cost of Hedging Reserve	14.10	0.95	-
	(ii)(b) Income tax on item (ii)(a) above	14.10, 30	(0.33)	-
	Total other comprehensive income for the year, net of taxes (A(i+ii) + B(i+ii))		**88.28**	**(112.54)**
XIII	**Total comprehensive income for the year (XI + XII)**		**1,013.34**	**861.64**
	Basic and Diluted Earnings per equity share (in ₹)			
	From continuing operations	36	158.72	138.06
	From discontinued operations	36	-	31.42
	From continuing and discontinued operations	36	158.72	169.48
Summary of significant accounting policies		1B		
See accompanying notes to the standalone financial statements		2 to 41		

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

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

For and on behalf of the Board of Directors

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

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

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

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

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

CASH FLOW STATEMENT

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax		
- Continuing Operations	1,309.97	780.48
- Discontinued Operations	-	241.82
Profit before tax including discontinued operations	1,309.97	1,022.30
Adjustments for:		
Finance costs	111.21	182.27
Interest income	(9.24)	(12.35)
Net gain on sale / discarding of property, plant and equipment	(0.39)	(12.76)
Net gain on financial assets measured at fair value through profit and loss	(25.45)	(9.38)
Credit impaired assets provided / written off	12.06	1.88
Amortisation of grant income	-	(2.64)
Depreciation and amortisation expense	383.60	353.62
Property, plant and equipment and inventory discarded / provided	3.36	11.12
Provision / liabilities no longer required written back	(11.42)	(2.82)
Net unrealised currency exchange fluctuation loss / (gains)	7.59	3.50
Profit on slump sale of business	-	(233.74)
Employee share based payment expense	0.97	0.97
Stamp duty on purchase of investments	0.15	-
Adjustments for (increase) / decrease in operating assets :-		
Trade receivables	(274.12)	89.75
Inventories	(178.37)	(44.54)
Loans (current)	(1.18)	(2.98)
Loans (non-current)	(2.58)	(9.84)
Other assets (current)	50.06	116.19
Other assets (non-current)	(1.99)	(2.57)
Adjustments for increase / (decrease) in operating liabilities :-		
Trade payables	248.04	(130.76)
Provisions	6.32	7.59
Other liabilities (non-current)	-	0.56
Other liabilities (current)	22.01	31.80
Cash generated from operations	**1,650.60**	**1,357.17**
Income taxes paid (net of refunds)	(229.00)	(140.76)
Net cash generated from operating activities	**1,421.60**	**1,216.41**
B CASH FLOW FROM INVESTING ACTIVITIES		
Net proceeds / (purchases) of current investments	(188.57)	(88.63)
Stamp duty on purchase of investments	(0.15)	-
Purchase of non-current investments	-	(4.05)
Interest received	0.07	13.11
Bank balances not considered as cash and cash equivalents	(134.68)	0.30
Proceeds from slump sale of business	-	315.77
Costs incurred on slump sale of business	-	(5.71)
Income tax paid on profit on slump sale of business	-	(40.84)
Payment for purchase of property, pland and equipment, capital work-in-progress and other intangible assets	(853.05)	(627.69)
Proceeds from disposal of property, plant and equipment	4.06	15.67
Loan to subsidiaries	(617.49)	-
Net cash used in investing activities	**(1,789.81)**	**(422.07)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	750.00	-
Costs incurred on issue of shares	(11.99)	-
Proceeds from borrowings (Non-current)	1,294.04	156.59
Repayment of borrowings (Non-current)	(1,344.41)	(451.53)
Net proceeds / (repayment) from borrowings (Current)	(42.57)	(259.80)
Corporate dividend tax paid	-	(16.54)
Dividends on equity share capital paid	(140.78)	(80.32)
Repayment towards lease liability	(20.19)	(18.87)
Finance costs paid	(127.43)	(188.41)
Net cash generated from / (used in) financing activities	**356.67**	**(858.88)**

CASH FLOW STATEMENT (CONTD.)

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net increase / (decrease) in cash and cash equivalents	**(11.54)**	**(64.54)**
Cash and cash equivalents at the beginning of the year	98.26	162.80
Cash and cash equivalents at the end of the year (Refer to note 11)	**86.72**	**98.26**

Notes:

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

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

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

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

Particulars	As at March 31, 2020	Cash flow from financing activities	Non-cash changes					As at March 31, 2021
			Upfront fees amortised	Exchange fluctuation changes#	Finance cost#	Interim dividend declared^	Lease liability recognised	
Equity share capital	58.50	1.76	-	-	-	-	-	60.26
Securities premium (net of issue expenses)	-	736.25	-	-	-	-	-	736.25
Non-current borrowings*	1,859.62	(50.37)	2.30	1.27	-	-	-	1,812.82
Current borrowings	804.80	(42.57)	-	0.03	-	-	-	762.26
Interest accrued	22.64	(127.43)	-	-	109.26	-	-	4.47
Lease liability	87.69	(20.19)	-	-	6.49	-	3.63	77.62
Dividend and taxes thereon	6.04	(140.78)	-	-	-	141.31	-	6.57
Total	**2,839.29**	**356.67**	**2.30**	**1.30**	**115.75**	**141.31**	**3.63**	**3,460.25**

Particulars	As at March 31, 2019	Cash flow from financing activities	Non-cash changes					As at March 31, 2020
			Upfront fees amortised	Exchange fluctuation changes#	Finance cost#	Interim dividend declared ^	Lease liability recognised	
Equity share capital	58.50	-	-	-	-	-	-	58.50
Non-current borrowings*	2,060.29	(294.94)	2.95	91.32	-	-	-	1,859.62
Current borrowings	1,042.83	(259.80)	-	21.77	-	-	-	804.80
Interest accrued	29.40	(188.41)	-	-	181.65	-	-	22.64
Lease liability	-	(18.87)	-	-	6.70	-	99.86	87.69
Dividend and taxes thereon	5.89	(96.86)	-	-	-	97.01	-	6.04
	3,196.91	**(858.88)**	**2.95**	**113.09**	**188.35**	**97.01**	**99.86**	**2,839.29**

*including current maturity of long term debts

^including taxes on dividend

#including amount capitalised

See accompanying notes to the standalone financial statements 2 to 41

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

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

For and on behalf of the Board of Directors

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

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

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

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

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

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

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

(b) Other Equity

	Reserves and Surplus*							Items of other comprehensive income*		
	Capital reserve	General reserve	Capital redemption reserve	Securities premium	Debenture redemption reserve	Employee share based payment reserve	Retained earnings	Effective portion of cash flow hedge	Equity instrument through other comprehensive income	Cost of hedging reserve
Balance at March 31, 2019	**219.19**	**573.54**	**10.48**	**-**	**75.00**	**0.58**	**2956.92**	**28.65**	**(4.22)**	**-**
Profit for the year	-	-	-	-	-	-	974.18	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(5.33)	(107.21)	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**968.85**	**(107.21)**	**-**	**-**
Payment of dividend (₹ 14 per share)	-	-	-	-	-	-	(80.47)	-	-	-
Tax on Dividend	-	-	-	-	-	-	(16.54)	-	-	-
Employee share based payment expense	-	-	-	-	-	0.98	-	-	-	-
Balance at March 31, 2020	**219.19**	**573.54**	**10.48**	**-**	**75.00**	**1.56**	**3828.76**	**(78.56)**	**(4.22)**	**-**
Profit for the year	-	-	-	-	-	-	925.06	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	1.57	86.09	-	0.62
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**926.63**	**86.09**	**-**	**0.62**
Payment of dividend (₹ 24 per share)	-	-	-	-	-	-	(141.31)	-	-	-
Tax on Dividend	-	-	-	-	-	-	-	-	-	-
Employee share based payment expense	-	-	-	-	-	0.98	-	-	-	-
Transfer to debenture redemption reserve	-	-	-	-	-	-	(62.50)	-	-	-
Transfer to general reserve	-	-	-	-	(75.00)	-	-	-	-	-
Transfer from debenture redemption reserve	-	75.00	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	62.50	-	-	-	-	-
Premium on issue of equity shares (net of issue expenses)^	-	-	-	736.25	-	-	-	-	-	-
Balance at March 31, 2021	**219.19**	**648.54**	**10.48**	**736.25**	**62.50**	**2.54**	**4551.58**	**7.53**	**(4.22)**	**0.62**

*Refer note 14
^Refer note 13.1

See accompanying notes to the standalone financial statements 2 to 41

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

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

For and on behalf of the Board of Directors

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Managing Director
DIN - 00671567
Place : Delhi
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Director
DIN - 00356188
Place : Gurugram
Date : May 05, 2021

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

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

A Corporate Information

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

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

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 5, 2021.

B Significant Accounting Policies

1. Basis of Preparation

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

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

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

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

The principal accounting policies are set out below.

2. Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.
A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

3. Property, plant and equipment (PPE)

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

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

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

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

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

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

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

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

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

4. Depreciation

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

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

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

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

Freehold land is not depreciated.

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

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

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

5. Intangible Assets

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

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

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

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

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

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

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

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

6. Research and development expenditure

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

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

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

7. Goodwill

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

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

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

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

8. Impairment of tangible and intangible assets other than goodwill

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

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

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

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

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

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

9. Leasing

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used

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

At inception or on reassessment of a contract that contains a lease component, the Company allocates

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as lessee

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

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

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

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

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

Short-term leases and leases of low-value assets

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

10. Borrowing costs

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

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

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added to the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

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

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

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

11. Foreign Currencies

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

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

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

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

(iii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016:

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

12. Inventories

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

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

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

(c) By products - At estimated realisable value

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

13. Provisions, contingent liabilities and contingent assets

Provisions

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

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

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

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

Contingent liabilities

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

Contingent assets

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

14. Revenue recognition

a) *Sale of goods*

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

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

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

b) *Interest and dividend income*

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

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

c) *Export Incentives*

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

15. Taxation

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

a) *Current tax*

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

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

b) *Deferred tax*

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

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

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

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

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

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

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

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

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

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

16. Government grants

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

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

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

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

17. Employee benefits

Short-term employee benefits

Wages and salaries including non monetary benefits that are expected to be settled

within the operating cycle after the end of the period in which the related services are rendered, are measured at the undiscounted amount expected to be paid.

Defined contribution plans

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

Defined benefit plans

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

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

Other long-term employee benefits

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

Share based payments

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

18. Earnings per share

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

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

19. Cash and cash equivalents

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

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20. Financial instruments

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

A) *Financial assets*

Initial recognition and measurement

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

Subsequent measurement

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

a) At amortised cost

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

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

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

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

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

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

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

Equity Investments

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

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

For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

Derecognition

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

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. Any gain or loss on derecognition is recognised in profit or loss.

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

Impairment of financial assets

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

B) *Financial liabilities and Equity instruments*

Initial recognition and measurement

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

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

Subsequent measurement

Borrowings

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

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

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

Financial guarantee contracts
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified entity fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

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

Equity instrument
Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

21. Derivative and non derivative financial instruments and hedge accounting

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

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

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

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

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

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

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

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

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

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

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

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

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

22. Fair value measurement

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

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

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

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

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of

assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

23. Segment Reporting

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

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

Segment Policies:

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

24. Dividend

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

25. Non-current assets held for sale and discontinued operations

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

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

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

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

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

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

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

26. Recent pronouncements

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

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Balance Sheet:

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

Statement of profit and loss:

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

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

C *Significant accounting judgements, estimates and assumptions*

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

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

- Classification and lease term determination of leasing arrangement – Note 1.B.9
- Derecognition of trade receivables and hedge effectiveness - Note 1.B.20
- Fair value measurement of derivative instruments – Note 1.B.22
- Assessment of useful life of property, plant and equipment and intangible asset – Note 1.B.4
- Recognition and estimation of tax expense including determination of applicable tax rate for measuring deferred tax balances – Note 1.B.15
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 1.B.17
- Assessment of impairment of financial assets and non-financial assets – Note 1.B.20 and Note 1.B.8
- Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 1.B.13

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(All amounts in ₹ Crores, unless otherwise stated)

2. Property, Plant and Equipment

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Cost								
Balance at March 31, 2019	**317.55**	**53.45**	**669.97**	**4589.16**	**24.04**	**51.09**	**39.34**	**5744.60**
Additions / adjustments	-	11.02	33.02	879.10	2.41	8.02	9.04	942.61
Disposals	(0.37)	(0.99)	(16.03)	(38.03)	(0.65)	(0.97)	(7.29)	(64.33)
Balance at March 31, 2020	**317.18**	**63.48**	**686.96**	**5430.23**	**25.80**	**58.14**	**41.09**	**6622.88**
Additions / adjustments	-	8.29	38.66	564.41	2.01	8.08	6.59	628.04
Disposals	-	-	(0.14)	(6.18)	(0.20)	(1.06)	(3.99)	(11.57)
Balance at March 31, 2021	**317.18**	**71.77**	**725.48**	**5988.46**	**27.61**	**65.16**	**43.69**	**7239.35**
Accumulated depreciation								
Balance at March 31, 2019	**-**	**4.43**	**67.99**	**886.82**	**7.43**	**24.62**	**17.61**	**1008.90**
Depreciation expenses								
- Continuing operations	-	1.94	19.36	291.03	2.02	7.04	7.60	328.99
- Discontinued operations	-	-	0.12	0.21	0.01	0.02	0.02	0.38
Disposals	-	(0.06)	(2.44)	(11.25)	(0.16)	(0.64)	(4.48)	(19.03)
Balance at March 31, 2020	**-**	**6.31**	**85.03**	**1166.81**	**9.30**	**31.04**	**20.75**	**1319.24**
Depreciation expenses	-	1.54	20.22	320.71	2.07	6.53	7.25	358.32
Disposals	-	-	(0.03)	(2.70)	(0.14)	(0.90)	(2.76)	(6.53)
Balance at March 31, 2021	**-**	**7.85**	**105.22**	**1484.82**	**11.23**	**36.67**	**25.24**	**1671.03**
Carrying Amount								
Balance at March 31, 2019	**317.55**	**49.02**	**601.98**	**3702.34**	**16.61**	**26.47**	**21.73**	**4735.70**
Additions / adjustments	-	11.02	33.02	879.10	2.41	8.02	9.04	942.61
Disposals	(0.37)	(0.93)	(13.59)	(26.78)	(0.49)	(0.33)	(2.81)	(45.30)
Depreciation expenses								
- Continuing operations	-	(1.94)	(19.36)	(291.03)	(2.02)	(7.04)	(7.60)	(328.99)
- Discontinued operations	-	-	(0.12)	(0.21)	(0.01)	(0.02)	(0.02)	(0.38)
Balance at March 31, 2020	**317.18**	**57.17**	**601.93**	**4263.42**	**16.50**	**27.10**	**20.34**	**5303.64**
Additions / adjustments	-	8.29	38.66	564.41	2.01	8.08	6.59	628.04
Disposals	-	-	(0.11)	(3.48)	(0.06)	(0.16)	(1.22)	(5.03)
Depreciation expenses	-	(1.54)	(20.22)	(320.71)	(2.07)	(6.53)	(7.25)	(358.32)
Balance at March 31, 2021	**317.18**	**63.92**	**620.26**	**4503.64**	**16.38**	**28.49**	**18.46**	**5568.33**

Notes:

(i) Borrowing cost capitalised during the year ₹ 7.62 Crores (Previous year: ₹ 13.80 Crores) with a capitalisation rate ranging from 3.22% to 8.09% (Previous year: 4.25% to 9.45%).

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

(iii) Capital expenditure incurred during the year includes ₹ 13.46 Crores (Previous year: ₹ 33.09 Crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 41 (a) below.

(iv) Refer to note 15.1 for information on PPE pledged as security by the Company. Additionally, non funded working capital facilities from banks amounting to ₹ 58.50 Crores (Previous year: Nil) are secured by hypothecation of CPP and HFC134A plant situated at Dahej in the state of Gujarat.

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

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

(vii) Disposals during the previous year include property, plant and equipment of discontinued operations. Refer note 40 below.

3. Goodwill

Cost	
Balance at March 31, 2019	**1.41**
Additions	-
Disposals	(0.79)
Balance at March 31, 2020	**0.62**
Additions	-
Disposals	-
Balance at March 31, 2021	**0.62**

	As at March 31, 2021	As at March 31, 2020
Engineering plastics units	-	-
Industrial yarn unit	0.62	0.62
	0.62	**0.62**

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

Based on the above impairment testing no impairment losses have been recognised in the current year (Previous year: Nil). Also refer note 40 below.

4. Other Intangible Assets

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at March 31, 2019	**77.20**	**45.67**	**26.71**	**19.30**	**168.88**
Additions / adjustments	0.33	10.51	4.39	0.09	15.32
Disposals	-	(0.99)	(0.35)	-	(1.34)
Balance at March 31, 2020	**77.53**	**55.19**	**30.75**	**19.39**	**182.86**
Additions / adjustments	-	-	0.64	-	0.64
Disposals	-	-	-	-	-
Balance at March 31, 2021	**77.53**	**55.19**	**31.39**	**19.39**	**183.50**
Accumulated amortisation					
Balance at March 31, 2019	**14.15**	**5.23**	**22.24**	**18.40**	**60.02**
Amortisation expenses					
- Continuing operations	2.61	1.71	3.06	0.10	7.48
- Discontinued operations	-	-	0.02	-	0.02
Disposals	-	(0.99)	(0.13)	-	(1.12)
Balance at March 31, 2020	**16.76**	**5.95**	**25.19**	**18.50**	**66.40**
Amortisation expenses	2.45	1.70	3.02	0.05	7.22
Disposals	-	-	-	-	-
Balance at March 31, 2021	**19.21**	**7.65**	**28.21**	**18.55**	**73.62**
Carrying Amount					
Balance at March 31, 2019	**63.05**	**40.44**	**4.47**	**0.90**	**108.86**
Additions / adjustments	0.33	10.51	4.39	0.09	15.32
Disposals	-	-	(0.22)	-	(0.22)
Amortisation expenses					
- Continuing operations	(2.61)	(1.71)	(3.06)	(0.10)	(7.48)
- Discontinued operations	-	-	(0.02)	-	(0.02)
Balance at March 31, 2020	**60.77**	**49.24**	**5.56**	**0.89**	**116.46**
Additions / adjustments	-	-	0.64	-	0.64
Disposals	-	-	-	-	-
Amortisation expenses	(2.45)	(1.70)	(3.02)	(0.05)	(7.22)
Balance at March 31, 2021	**58.32**	**47.54**	**3.18**	**0.84**	**109.88**

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

Notes:

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

(ii) Disposals during the previous year pertain to intangible assets of discontinued operations. Refer note 40 below.

5. Investments

	As at March 31, 2021	As at March 31, 2020
Non-current		
Investment in equity instruments		
Subsidiary companies	83.60	83.60
Others	4.16	4.16
	87.76	**87.76**
Aggregate book value of unquoted investments	87.76	87.76
Aggregate amount of impairment in value of investments	4.34	4.34
Current		
Investment in mutual funds	197.16	198.50
Investment in debentures / bonds	215.36	-
	412.52	**198.50**
Aggregate book value and market value of unquoted investments	197.16	198.50
Aggregate book value and market value of quoted investments	215.36	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

5.1 Investment in subsidiaries (at cost)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of SRF Holiday Home Limited (A wholly owned subsidiary)	40,00,000	4.00	40,00,000	4.00
Equity shares of Euro 100 each fully paid up of SRF Global BV (A wholly owned subsidiary)	1,28,920	79.60	1,28,920	79.60
Contribution in SRF Employees Welfare Trust (Controlled trust)	-	*	-	*
		83.60		**83.60**

* Amount in absolute ₹ 60,000 (Previous year: ₹ 35,000)

5.2 Other equity instruments (at fair value through other comprehensive income)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

5.4 Investment in debentures / bonds (at fair value through profit and loss)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Quoted investments (Current)				
Bonds				
9.56% State Bank of India Perpetual Bonds 2023 of ₹ 10,00,000 each	500	52.25	-	-
8.99% Bank of Baroda Perpetual Bonds 2024 of ₹ 10,00,000 each	500	51.02	-	-
8.85% HDFC Bank Limited Perpetual Bonds 2022 of ₹ 10,00,000 each	500	51.00	-	-
Debentures				
Non convertible debentures of Shriram Transport Finance Company Limited 2021 of ₹ 10,00,000 each	250	32.10	-	-
7.35% non convertible debentures of NIIF Infrastructure Finance Limited of ₹ 10,00,000 each	250	25.43	-	-
Non convertible debentures of Tata Capital Financial Services Limited of ₹ 10,00,000 each	30	3.56	-	-
		215.36		**-**

6. Loans

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Loan to subsidiary (Refer note 41 (e))	336.14	-
Loans to employees	10.57	9.96
Security deposits		
Related parties (Refer note 32)	3.56	3.56
Other than related parties	32.34	30.37
	382.61	**43.89**
Current		
Loan to subsidiary (Refer note 41 (e))	274.31	-
Loans to employees	7.16	6.36
Security deposits		
Other than related parties	2.20	2.05
Others		
Credit impaired	2.74	2.74
Less : Provision for credit impaired loans	(2.74)	(2.74)
	283.67	**8.41**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

7. Other Financial Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	28.84	-
Other financial assets carried at amortised cost		
- Government grants and claims recoverable	15.86	15.86
	44.70	**15.86**
Current		
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	4.39	-
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	45.91	-
- Interest rate swaps used for hedging	1.01	-
Other financial assets carried at amortised cost		
- Insurance claim recoverable	0.33	5.79
- Government grants and claims recoverable	154.11	163.84
- Others	9.70	0.53
	215.45	**170.16**

8. Other Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Capital advances	158.56	15.16
Prepaid expenses	0.25	0.26
CENVAT/ Service tax/ Goods and Services Tax/ Sales tax recoverable	14.43	12.32
Claims recoverable under Post EPCG scheme and others	0.12	0.22
	173.36	**27.96**
Current		
Prepaid expenses	9.13	9.92
CENVAT/ Service tax/ Goods and Services tax/ Sales tax recoverable	67.71	119.56
Export incentives recoverable	32.76	63.67
Deposits with customs and excise authorities	17.41	8.13
Advance to suppliers	87.82	49.50
Others	1.81	0.73
	216.64	**251.51**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

9. Inventories

(Valued at lower of cost and net realisable value)

	As at March 31, 2021	As at March 31, 2020
Raw material (including packing material)	597.10	465.59
Stock in progress	148.97	152.85
Finished goods	284.77	251.88
Stores and spares (including fuel)	254.93	238.27
Traded goods	0.93	1.73
	1,286.70	**1,110.32**
Goods-in-transit included above :		
Raw material (including packing material)	220.11	174.54
Finished goods	78.82	29.48
Stores and spares (including fuel)	1.06	2.59
Traded goods	0.33	0.08
	300.32	**206.69**

Notes

(i) The cost of inventories recognised as an expense includes ₹ 10.35 Crores (Previous year: ₹ 8.58 Crores) in respect of write-downs of inventory to net realisable value.

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

(iii) The method of valuation of inventories has been stated in note 1.B.12

10. Trade Receivables

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	1,012.00	768.71
Unsecured, credit impaired	3.96	2.46
Less: Provision for credit impaired receivables	(3.96)	(2.46)
	1,012.00	**768.71**

Notes

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

(ii) Age of receivables :

	As at March 31, 2021	As at March 31, 2020
Within the credit period	887.68	573.84
1 to 180 days past due	123.05	182.75
More than 180 days past due	5.23	14.58
	1,015.96	**771.17**

(iii) The Company has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the Company in the receivables as identified. Receivables sold as on March 31, 2021 are of ₹ 343.46 Crores (Previous year: ₹ 467.60 Crores). The Company has derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(iv) The Company sold, with recourse, trade receivables amounting to ₹ 47.15 Crores (Previous Year: Nil) to a bank for cash proceeds. These trade receivables have not been derecognised because the Company retains substantially all of the risks and rewards, primarily credit risk. The amounts received on such transfer have been recognised as a secured bank loan (refer note 15).

(v) No customer represents more than 10% (Previous year: Nil) of the total balances of trade receivables.

(vi) Refer Note 15.1 for information on trade receivables pledged as security by the Company.

11. Cash and Cash Equivalents

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Current accounts	73.15	87.97
Exchange earners foreign currency (EEFC) accounts	12.82	9.54
Cash on hand	0.75	0.75
	86.72	**98.26**

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

12. Bank Balances Other than Above

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

13. Share Capital

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

13.1 Fully paid equity shares

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

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

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

Terms/ rights attached to equity shares :

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

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

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

13.2 Details of shares held by the holding company

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

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

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

14. Other Equity

	As at March 31, 2021	As at March 31, 2020
General reserve	648.54	573.54
Retained earnings	4,551.58	3,828.76
Cash flow hedging reserve	7.53	(78.56)
Capital redemption reserve	10.48	10.48
Capital reserve	219.19	219.19
Debenture redemption reserve	62.50	75.00
Employee share based payment reserve	2.54	1.56
Reserve for equity instruments through other comprehensive income	(4.22)	(4.22)
Securities premium	736.25	-
Cost of hedging reserve	0.62	-
	6,235.01	**4,625.75**

14.1 General reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	573.54	573.54
Increase / (decrease) during the year	75.00	-
Balance at end of year	**648.54**	**573.54**

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

14.2 Retained earnings

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	3,828.76	2,956.92
Profit for the year	925.06	974.18
Other comprehensive income arising from remeasurement of defined benefit obligation * (Refer note 33.2 (iv))	1.57	(5.33)
Payment of dividend on equity shares	(141.31)	(80.47)
Corporate tax on dividend	-	(16.54)
Transfer to debenture redemption reserve	(62.50)	-
Balance at end of year	**4,551.58**	**3,828.76**

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

*net of income tax of ₹ (0.84) Crore (Previous year: ₹ 2.86 Crores)

14.3 Cash flow hedging reserve

(Refer note 38.3.1 (C))

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	(78.56)	28.65
Recognised / (released) during the year	132.33	(164.79)
Income tax related to above	(46.24)	57.58
Balance at end of year	**7.53**	**(78.56)**

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

14.4 Capital redemption reserve

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

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

14.5 Capital reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	219.19	219.19
Increase / (decrease) during the year	-	-
Balance at end of year	**219.19**	**219.19**

Capital reserve represents amounts received pursuant to Montreal Protocol Phaseout Programme of refrigerant gases.

14.6 Debenture redemption reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	75.00	75.00
Transfer from retained earnings	62.50	-
Transfer to general reserve	(75.00)	-
Balance at end of year	**62.50**	**75.00**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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

14.7 Employee share based payment reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	1.56	0.58
Increase / (decrease) during the year	0.98	0.98
Balance at end of year	**2.54**	**1.56**

The Company has allotted equity shares to certain employees under an employee share purchase scheme. The employee share based payment reserve is used to recognise the value of equity settled share based payments provided to such employees as part of their remuneration. Refer note 34 for further details of the scheme.

14.8 Reserve for equity instruments through other comprehensive income

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	(4.22)	(4.22)
Net fair value gain on investment in equity instruments at FVTOCI	-	-
Balance at end of year	**(4.22)**	**(4.22)**

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

14.9 Securities premium

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

Securities premium represents the amount received in excess of the face value upon issue of equity shares. The same may be inter-alia utilised, for issue of fully paid bonus shares or for buy-back of equity shares by the Company, in accordance with the provisions of the Act. Expenses amounting to ₹ 11.99 Crores incurred on issue of equity shares under Qualified Institutional Placement have been charged off against securities premium (Refer note 13.1).

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14.10 Cost of hedging reserve

(Refer note 38.3.1 (C))

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	-	-
Recognised / (released) during the year	0.95	-
Income tax related to above	(0.33)	-
Balance at end of year	**0.62**	**-**

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

15. Borrowings

	As at March 31, 2021	As at March 31, 2020
Non-current		
Secured		
2,500 Nos., Three Months T Bill plus 188 bps (2020: 3,000 Nos., 7.33%), listed, secured redeemable non-convertible debentures of ₹ 10 lakhs each* (Refer note 15.1.1 and 15.1.2)	250.00	299.97
Term Loans from banks* (Refer note 15.1.3)	1,387.81	1,338.87
Term Loans from others* (Refer note 15.1.4)	175.01	220.78
Less: Current maturities of long-term borrowings* (Refer note 19)	(390.58)	(742.19)
	1,422.24	**1,117.43**

* Above amount of borrowings are net of upfront fees paid ₹ 2.84 Crores (Previous year: ₹ 5.06 Crores)

	As at March 31, 2021	As at March 31, 2020
Current		
Secured		
Loans repayable on demand from banks (Refer note 15.1.5.(i))	233.38	244.45
Bills discounted with banks (Refer note 15.1.5.(ii))	47.15	-
	280.53	**244.45**
Unsecured		
Loans repayable on demand from banks	381.73	360.35
Commercial papers from banks and others #	100.00	200.00
	481.73	**560.35**
	762.26	**804.80**

Maximum amount due during the year is ₹ 600.00 Crores (Previous year: ₹ 400.00 Crores)

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

15.1 Details of security of the secured loans:

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

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

NOTES TO THE FINANCIAL STATEMENTS

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Details of Loan	As at March 31, 2021#	As at March 31, 2020#	Security
			(b)(iii) Out of the loans as at 3(b)(i) loans aggregating to ₹ Nil (Previous Year – ₹ 75.56 Crores) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).
			(b) (iv) Out of the loans as at 3(i), the term loans aggregating to:
			(a) ₹ Nil (Previous Year - ₹ 565.48 crores) were to be secured by equitable mortgage of immoveable properties at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand in the previous year.
			(b) ₹ 38.50 Crores (Previous Year – ₹ 43.50 Crores) are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
4 (i) Term loans from others	175.59	221.66	Loan of ₹ 175.59 Crores (Previous Year – ₹ 221.66 Crores) is secured by the hypothecation and equitable mortgage of Company's moveable and immoveable properties at Dhar in the State of Madhya Pradesh.
5 (i) Loans repayable on demand from banks	233.38	244.45	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai (other than current assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh and Kashipur (other than current assets of Laminated Fabrics Business) in the State of Uttarakhand.
(ii) Bills discounted with banks	47.15	-	Secured against certain trade receivables of the Company. (Also refer note 10(iv))

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

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

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

#Gross of upfront fees paid ₹ 2.84 Crores (Previous year : ₹ 5.06 Crores)

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15.2 Terms of loans

As at March 31, 2021

Non Current Borrowings

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2022	Up to March 31, 2023	Up to March 31, 2024	From 2024 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	Floating rate at 5.23%	-	250.00	-	-
Term loan from banks	Quarterly payments	Ranging from 0.71% to 6.25%	331.38	321.67	217.49	169.26
	Half yeary payments	Ranging from 1.23% to 7.85%	17.63	55.76	23.26	232.62
	Yearly payments	Floating rate at 7.25%	4.00	1.00	1.00	-
	Bullet	Fixed rate of 6.65%	-	15.00	-	-
Term loan from others	Half yeary payments	Floating rate at 2.01%	39.00	39.00	39.00	58.58
			392.01	**682.43**	**280.75**	**460.46**

Amounts mentioned above are gross of upfront fees paid of ₹ 2.84 Crores.

Current Borrowings

Short term borrowings are either payable in one installment within one year or repayable on demand. For short term borrowings, interest rate ranges from 0.32% to 4.73%.

As at March 31, 2020

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2021	Up to March 31, 2022	Up to March 31, 2023	From 2023 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	Fixed rate of 7.33%	300.00	-	-	-
Term loan from banks	Quarterly payments	Ranging from 0.94% to 7.40%	217.56	284.60	255.09	239.70
	Half yeary payments	Ranging from 2.71% to 9.05%	5.00	6.00	32.50	-
	Yearly payments	Ranging from 7.65% to 8.25%	106.00	104.00	1.00	1.00
	Bullet	Fixed rate of 6.65%	-	-	15.00	-
Term loan from others	Half yearly instalments	Floating rate at 3.28%	115.85	40.29	40.29	100.80
			744.41	**434.89**	**343.88**	**341.50**

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for the year ended March 31, 2021

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Amounts mentioned above are gross of upfront fees paid of ₹ 5.06 Crores.

CURRENT BORROWINGS

Short term borrowings are either payable in one installment within one year or repayable on demand. For short term borrowings, interest rate ranges from 2.41% to 7.80%.

Terms of repayment

1) Reedemable non convertible debenture of ₹ 300 Crores were repaid in current year (Previous year: ₹ 300 Crores are repayable in one bullet instalment in June 2020).
2) Reedemable non convertible debenture of ₹ 250 Crores are repayable in one bullet instalment in September 2022 (Previous year: Nil).
3) Rupee term loans of ₹ 38.50 Crores are repayable in 3 half yearly instalments from August 2021 (Previous year: ₹ 43.50 Crores repayable in 5 half yearly instalments from August 2020).
4) Rupee term loans of ₹ 24.66 Crores are repayable in 6 quarterly instalments from June 2021 (Previous year: ₹ 41.10 Crores repayable in 10 quarterly instalments from June 2020).
5) Rupee term loans of ₹ 200.00 Crores were prepaid in current year in July 2020 (Previous year: ₹ 200.00 Crores repayable in 2 annual instalments from August 2020).
6) Rupee term loans of ₹ 6.00 Crores are repayable in 3 annual instalments from December 2021 (Previous year: ₹ 12.00 Crores repayable in 4 annual instalments from December 2020).
7) Rupee term loans of ₹ 250.00 Crores are repayable in 16 quarterly instalments from July 2021 (Previous year: Nil).
8) Foreign currency term loan of ₹ 114.30 Crores are repayable in 5 quarterly instalments from June 2021 (Previous year: ₹ 188.90 Crores repayable in 8 quarterly instalments from September 2020).
9) Foreign currency term loan of ₹ 361.33 Crores are repayable in 16 quarterly instalments from May 2021 (Previous year: ₹ 412.90 Crores repayable in 19 quarterly instalments from August 2020).
10) Foreign currency term loan of ₹ 143.69 Crores are repayable in 11 quarterly instalments from April 2021 (Previous year: ₹ 188.90 Crores repayable in 14 quarterly instalments from July 2020).
11) Foreign currency term loan of ₹ 75.56 Crores were repaid in current year (Previous year: ₹ 75.56 Crores repayable in 2 half yearly instalments from September 2020).
12) Foreign currency term loan of ₹ 175.59 Crores are repayable in 9 half yearly instalments from April 2021 (Previous year: ₹ 221.66 Crores repayable in 11 half yearly instalments from April 2020).
13) Foreign currency term loan of ₹ 15.00 Crores are repayable in one bullet instalment in June 2022 (Previous year: ₹ 15.00 Crores is repayable in one bullet instalment in June 2022).
14) Foreign currency term loan of ₹ 145.82 Crores are repayable in 9 quarterly instalments from April 2021 (Previous year: ₹ 165.16 Crores repayable in 12 quarterly instalments from July 2020).
15) Foreign currency term loan of ₹ 290.77 Crores are repayable in 5 half yearly instalments from March 2022 and then 12 monthly instalments from April 2024 onwards (Previous year: Nil)

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16. Provisions

	As at March 31, 2021	As at March 31, 2020
Non-Current		
Provision for employee benefits		
Provision for compensated absences (Refer note 33.3)	38.06	31.79
Provision for retention pay (Refer note 33.3)	0.17	1.49
	38.23	**33.28**
Current		
Provision for employee benefits		
Provision for compensated absences (Refer note 33.3)	7.00	5.50
Provision for retention pay (Refer note 33.3)	-	0.14
	7.00	**5.64**

17. DEFERRED TAX (NET)

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

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	293.83	428.40
Deferred tax liabilities	(620.29)	(552.82)
Deferred tax liabilities, net	**(326.46)**	**(124.42)**

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

2020-21	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	MAT Credit Entitlement utilised	Closing balance
Deferred tax assets					
Expenses deductible in future years	13.77	1.31	-	-	15.08
Provision for credit impaired loans / receivables	0.61	0.38	-	-	0.99
MAT Credit Entitlement	367.07	5.38	-	(97.79)	274.66
Cash flow hedges	42.30	-	(42.30)	-	-
Others	4.65	(1.55)	-	-	3.10
	428.40	5.52	(42.30)	(97.79)	293.83
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(538.64)	(65.18)	-	-	(603.82)
Investment in mutual funds	(7.95)	(2.90)	-	-	(10.85)
Cash flow hedges	-	-	(4.27)	-	(4.27)
Others	(6.23)	4.88	-	-	(1.35)
	(552.82)	(63.20)	(4.27)	-	(620.29)
Total	**(124.42)**	**(57.68)**	**(46.57)**	**(97.79)**	**(326.46)**

2019-20	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax assets				
Expenses deductible in future years	14.74	(0.97)	-	13.77
Provision for credit impaired loans / receivables	0.58	0.03	-	0.61
MAT Credit Entitlement	330.34	36.73	-	367.07
Cash flow hedges	-	-	42.30	42.30
Others	2.76	(0.97)	2.86	4.65
	348.42	34.82	45.16	428.40
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(625.93)	87.29	-	(538.64)
Investment in mutual funds	(8.24)	0.29	-	(7.95)
Cash flow hedges	(15.28)	-	15.28	-
Others	(1.20)	(5.03)	-	(6.23)
	(650.65)	82.55	15.28	(552.82)
Total	**(302.23)**	**117.37**	**60.44**	**(124.42)**

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

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

(iii) As on March 31, 2019 there were capital losses of ₹ 186.32 Crores expiring in the financial year ending March 31, 2023 on which no deferred tax asset was created, due to lack of probablility of future capital gains against which such deferred tax assets can be realised. Pursuant to recognition of long term capital gain in the previous year, such capital losses were set-off in the previous year (Refer note 40).

18. Trade Payables

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises#	33.37	30.36
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances*	107.61	92.59
- Other than acceptances	1,055.51	834.49
	1,196.49	**957.44**

#Refer to note 18.1

*Acceptances represent invoices discounted by vendors with banks.

18.1 Total outstanding dues of micro enterprises and small enterprises

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

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

**including payable to micro enterprises and small enterprises included in other financial liabilities (refer note 19).

19. Other Financial Liabilities

	As at March 31, 2021	As at March 31, 2020
Non-Current		
Derivatives carried at fair value through other comprehensive income		
Forward exchange contracts used for hedging	-	21.43
Interest rate swaps used for hedging	0.54	1.44
	0.54	**22.87**
Current		
Current maturities of long-term borrowings (Refer note 15)	390.58	742.19

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	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due on borrowings	4.47	22.64
Unpaid dividends*	6.57	6.04
Security deposits received	8.62	6.86
Payables to capital creditors		
Total outstanding dues of micro enterprises and small enterprises#	18.65	5.52
Total outstanding dues of creditors other than micro enterprises and small enterprises	27.65	29.69
Derivatives carried at fair value through profit and loss		
Forward exchange contracts used for hedging	-	0.06
Derivatives carried at fair value through other comprehensive income		
Forward exchange contracts used for hedging	-	44.19
Interest rate swaps used for hedging	-	0.98
Others	43.12	33.55
	499.66	**891.72**

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

#Refer to note 18.1

20. Tax Assets and Liabilities

	As at March 31, 2021	As at March 31, 2020
Non - Current tax assets		
Advance tax (net of provision for tax)	33.74	35.03
Current tax liablities		
Provision for tax (net of advance tax)	9.73	9.75

21. Other Liabilities

	As at March 31, 2021	As at March 31, 2020
Current		
Contract liability (Refer note 39)	13.53	10.75
Statutory liabilities	26.00	17.77
Payable to gratuity trust (Refer note 33.2)	4.52	15.82
Other payables	31.74	35.95
	75.79	**80.29**

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22. Revenue from Operations*

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products		
Manufactured goods	6,817.90	6,066.34
Traded goods	69.59	120.20
	6,887.49	**6,186.54**
Other operating revenues		
Claims	0.52	0.25
Export and other incentives	69.23	101.92
Scrap sales	28.36	28.75
Other operating income	2.72	13.38
	100.83	**144.30**
	6,988.32	**6,330.84**

Reconciliation of revenue from sale of products with the contracted price

	Year ended March 31, 2021	Year ended March 31, 2020
Contracted price	7,017.01	6,284.35
Less: Discounts, allowances and claims	(129.52)	(97.81)
Sale of products	**6,887.49**	**6,186.54**

*Refer note 40(f)

23. Other Income*

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income		
- from customers	0.01	0.08
- on loans and deposits	1.58	1.06
- on others	7.65	11.20
Net gain on sale/ discarding of property, plant and equipment	0.39	12.85
Net gain on financial assets measured at fair value through profit and loss	25.45	9.38
Net foreign currency exchange fluctuation gains	-	1.87
Provision/ liabilities no longer required written back	11.42	2.86
Other non-operating income	16.80	13.99
	63.30	**53.29**

*Refer note 40(f)

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(All amounts in ₹ Crores, unless otherwise stated)

24.1 Cost of Materials Consumed

	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock of raw materials		
- Continuing operations	465.59	530.13
- Discontinued operations	-	27.89
Add: Purchases of raw materials		
- Continuing operations	3,410.01	3,134.31
- Discontinued operations	-	26.42
Less: Closing stock of raw materials		
- Continuing operations	597.10	465.59
Cost of materials consumed *		
- Continuing operations	**3,278.50**	**3,198.85**
- Discontinued operations	**-**	**54.31**

*including packing material

24.2 Purchases of Stock in Trade*

	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of stock in trade	60.49	91.40
	60.49	**91.40**

*Refer note 40(f)

24.3 Changes in inventories of finished goods, work in progress and stock in trade

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year :		
- Continuing operations		
Stock-in-Process	148.97	152.85
Finished goods	284.77	251.88
Traded goods	0.93	1.73
	434.67	**406.46**
Inventories at the beginning of the year :		
- Continuing operations		
Stock-in-Process	152.85	133.75
Finished goods	251.88	174.15
Traded goods	1.73	2.82
	406.46	**310.72**
- Discontinued operations		
Stock-in-Process	-	0.34
Finished goods	-	5.66
Traded goods	-	-
	-	**6.00**
Net (increase) / decrease		
- Continuing operations	**(28.21)**	**(95.74)**
- Discontinued operations	**-**	**6.00**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

25. Employee Benefits Expense*

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages, including bonus	444.80	402.31
Contribution to provident and other funds	33.74	31.70
Workmen and staff welfare expenses	54.61	52.09
Employee share based payment expense (Refer note 34)	0.98	0.98
	534.13	**487.08**

*Refer note 40(f)

26. Finance Cost*

	Year ended March 31, 2021	Year ended March 31, 2020
Interest cost ^		
- Non-convertible debentures	12.27	21.99
- Term loans and others	82.52	130.13
- Lease liabilities	6.49	6.70
Other borrowing costs	9.15	10.13
Exchange differences regarded as an adjustment to borrowing costs	0.78	13.16
	111.21	**182.11**

^pertains to liabilities measured at amortised cost.

*Refer note 40(f)

27. Depreciation and Amortisation Expense*

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	358.32	328.99
Depreciation of right-of-use assets	18.06	16.74
Amortisation of intangible assets	7.22	7.48
	383.60	**353.21**

*Refer note 40(f)

28. Other Expense*

	Year ended March 31, 2021	Year ended March 31, 2020
Stores and spares consumed	51.79	54.10
Power and fuel	632.06	628.87
Labour production	36.93	40.62
Rent**	15.62	13.66
Repairs and maintenance		
- Buildings	5.15	6.07
- Plant and machinery	152.85	151.12

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	Year ended March 31, 2021	Year ended March 31, 2020
- Others	30.33	34.30
Insurance	33.26	35.07
Rates and taxes	8.37	35.78
Freight charges	238.39	188.92
Expenditure on corporate social responsibility***	12.88	12.00
Legal and professional charges	27.39	31.00
Travelling and conveyance	3.89	17.16
Directors' sitting fees	0.27	0.21
Selling commission	18.29	12.56
Credit impaired assets provided/ written off	12.06	1.74
Property, plant and equipment provided/ written off	1.37	2.88
Auditor remuneration^		
- Audit fees	0.65	0.50
- For limited review of unaudited financial results	0.54	0.35
- For Corporate governance, consolidated financial statements and other certificates	0.07	0.09
- For tax audit	0.08	0.06
- Reimbursement of out of pocket expenses	0.07	0.09
Effluent disposal expenses	76.18	77.49
Net foreign currency exchange fluctuation loss	7.21	-
Miscellaneous expenses	36.23	42.10
	1,401.93	**1,386.74**

*Refer note 40(f)

**Refer to note 37

***Refer to note 41(f)

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

29. Income Tax Recognised in Profit and Loss

	Year ended March 31, 2021	Year ended March 31, 2020
Tax expense related to continuing operations	384.91	(13.11)
Tax expense related to discontinued operations	-	61.23
	384.91	**48.12**
(a) Tax expense related to continuing operations		
Current tax		
In relation to current year	327.21	115.97
Adjustment in relation to earlier years	0.02	(11.71)
	327.23	**104.26**
Deferred tax		
- MAT credit entitlement		
In relation to current year	-	(13.83)
Adjustment in relation to earlier years	(5.38)	(22.90)
	(5.38)	**(36.73)**
- Others		
In relation to current year	58.71	(83.09)
Adjustment in relation to earlier years	4.35	2.45
	63.06	**(80.64)**
(b) Tax expense related to discontinued operations		
Current tax		
In relation to current year	-	61.23
	-	**61.23**

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

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax from continuing operations	1,309.97	780.48
Profit before tax from discontinued operations	-	241.82
Total profit before tax	**1,309.97**	**1,022.30**
Income Tax Expenses @ 34.944% (Previous year: 34.944%)	457.76	357.23
Effect of deductions (research and development, share issue expenses and deductions under chapter VI A of Income Tax Act)	(54.59)	(76.74)
Effect of expenses that are not deductible in determining taxable profit	5.48	6.25
Effect of income taxable at lower rate	-	(26.00)
Effect of credit recognised on set-off of carried forward long term capital losses (Refer note (iii) below)	-	(43.40)
Effect of re-measurement of deferred tax balances / lower tax rate on certain temporary differences pursuant to Section 115BAA of Income Tax Act (Refer note 17(i))	(22.73)	(136.11)
Others	-	(0.95)
Income tax expenses recognised in statement of profit and loss in relation to current year	**385.92**	**80.28**
Income tax credit recognised in statement of profit and loss in relation to earlier years (Refer note (ii) below)	(1.01)	(32.16)
Total Income tax expenses recognised in profit and loss	**384.91**	**48.12**

Notes:

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

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

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

30. Income Tax Recognised in Other Comprehensive Income

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

31. Contingent Liabilities and Commitments

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

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

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

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

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

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

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

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

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for the year ended March 31, 2021

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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 has been raised. The Company will file rectification application against research and development disallowance as well as towards certain computation error and for rest of the issues, appeal will be filed before ITAT. Based on the facts of the case and the Company's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

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

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

d. Guarantees given to banks and others for repayment of financial facilities availed by wholly owned subsidiaries are as below:

Name of the subsidiary	Currency	Guarantee amount as at				Loan/payable outstanding against the guarantee as at			
		March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020	
		In Millions	In ₹ Crores^	In Millions	In ₹ Crores^^	In Millions	In ₹ Crores^	In Millions	In ₹ Crores^^
SRF Flexipak South Africa (Pty) Limited	USD	46.00	336.49	46.00	347.58	3.00	21.95	8.00	60.45
	USD *	-	-	12.00	90.67	-	-	0.95	7.15
	USD *	-	-	14.95	112.96	-	-	0.43	3.24
	ZAR *	-	-	80.00	33.92	-	-	60.24	25.54
SRF Global BV	EUR #	22.00	188.72	22.00	181.68	-	-	20.00	165.16
	USD	44.00	321.86	44.00	332.46	10.00	73.16	8.45	63.85
	USD *	-	-	66.00	498.70	-	-	60.00	453.36
SRF Industries (Thailand) Limited	THB *	-	-	682.00	156.86	-	-	50.00	11.50
	EUR	18.00	154.40	18.00	148.64	18.00	154.40	18.00	148.64
	EUR	12.76	109.46	-	-	8.56	73.44	-	-
SRF Europe Kft (Hungry)	EUR	22.00	188.72	22.00	181.68	-	-	1.50	12.39
	EUR	77.00	660.51	77.00	635.87	57.50	493.24	47.92	395.69

*The loan under the said guarantee has been repaid during the current year and the guarantee has been withdrawn.

#The loan under the said guarantee has been repaid during the current year and the Company is in the process of withdrawing this guarantee.

^Converted using closing exchange rate - USD 73.15, Euro 85.780 and THB 2.34

^^Converted using closing exchange rate - USD 75.56, Euro 82.580, ZAR 4.24 and THB 2.30

NOTES TO THE FINANCIAL STATEMENTS

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

f. **Capital and other commitments**

	As at March 31, 2021	As at March 31, 2020
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	690.96	153.75
(ii) The Company has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The Company does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses which have not been provided for.		
(iii) Export obligation under advance license scheme on duty free import of specific raw materials, remaining outstanding is ₹ 619.36 Crores (Previous year: ₹ 204.24 Crores).		

32. Related Party Transactions

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

Ultimate Holding Entity	**Key management personnel (KMP)**
ABR Family Trust	Arun Bharat Ram
	Ashish Bharat Ram
Holding Company	Kartik Bharat Ram
KAMA Holdings Limited	Tejpreet S Chopra
	Lakshman Lakshminarayan
Subsidiaries	Vellayan Subbiah
SRF Holiday Home Limited	Meenakshi Gopinath
SRF Global BV	Pramod Gopaldas Gujarathi
SRF Industries (Thailand) Limited	Bharti Gupta Ramola
SRF Industex Belting (Pty) Limited	Yash Gupta
SRF Flexipak (South Africa) (Pty) Limited	Puneet Yadu Dalmia
SRF Europe Kft	
SRF Employees Welfare Trust (Controlled trust)	**Enterprises over which KMP have significant influence#**
	SRF Foundation
Fellow subsidiaries#	Karm Farms LLP
KAMA Realty (Delhi) Limited	Srishti Westend Greens Farms LLP
Shri Educare Limited	SRF Welfare Trust
	BLP Industry AI Private Limited

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Post Employment Benefit Plans Trust	**Relative of KMP#**
SRF Limited Officers Provident Fund Trust	Sushil Ramola
SRF Employees Gratuity Trust	Shanthi Narayan
SRF Officers Gratuity Trust	Murugappan Vellayan Subbiah
KMP of Holding Company#	**Relative of KMP of Holding Company#**
Ekta Maheshwari	Nirmala Kothari
Enterprises over which relative of KMP has control#	
Murugappa & Sons	

#Only with whom the Company had transactions during the year

32.2 Transactions with related parties

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of goods to:		
Subsidiaries	28.27	29.55
Enterprises over which KMP have significant influence	-	0.25
	28.27	29.80
Purchase of goods from:		
Subsidiaries	17.50	7.74
	17.50	7.74
Purchase of property, plant & equipment and intangible assets from:		
Holding Company	-	0.15
Subsidiaries	15.37	5.85
	15.37	6.00
Sale of property, plant & equipment and intangible assets to:		
Holding Company	-	0.20
Subsidiaries	1.94	-
	1.94	0.20
Services rendered to:		
Subsidiaries	8.78	7.04
	8.78	7.04
Receiving of Services from :		
Enterprises over which KMP have significant influence	0.07	-
	0.07	-
Rent paid to:		
Fellow Subsidiaries	6.60	6.63

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
Subsidiaries	0.06	0.01
Key management personnel	0.27	0.29
Enterprises over which KMP have significant influence	0.27	0.27
	7.20	7.20
Reimbursement of expenses from		
Holding Company	0.01	0.01
Subsidiaries	1.50	1.95
Fellow Subsidiaries	0.05	0.05
	1.56	2.01
Deposits given to		
Subsidiaries	-	0.02
	-	0.02
Loan given to		
Subsidiaries	617.48	-
	617.48	-
Interest received from		
Subsidiaries	0.39	-
	0.39	-
Deposits received back from		
Fellow Subsidiaries	-	0.12
Enterprises over which KMP have significant influence	-	0.04
	-	0.16
Contribution for expenditure on corporate social responsibility		
Enterprises over which KMP have significant influence	9.18	12.00
	9.18	12.00
Investments made in		
Subsidiaries	*	-
	-	-
* Amount in absolute ₹ 25,000 (Previous year: Nil)		
Contribution to post employment benefit plans		
Post Employment Benefit Plans Trust	35.41	24.31
	35.41	24.31
Employee benefit obligations transferred to		
Holding Company	0.02	0.03
Fellow Subsidiaries	-	0.10
Enterprises over which KMP have significant influence	^	-
	0.02	0.13

^Amount in absolute ₹ 25,962 (Previous year: Nil)

	Year ended March 31, 2021	Year ended March 31, 2020
Employee benefit obligations transferred from		
Holding Company	-	0.09
	-	0.09
Equity dividend paid		
Holding Company	72.12	42.07
Key management personnel	0.12	0.06
Relative of KMP	0.07	0.04
KMP of Holding Company	*	-
Relative of KMP of Holding Company	^	^
Enterprises over which relative of KMP has control	#	-
	72.31	42.17
*Amount in absolute ₹ 168 (Previous year: Nil)		
^Amount in absolute ₹ 240 (Previous year: ₹ 140)		
#Amount in absolute ₹ 24,618 (Previous year: Nil)		
Guarantees issued / renewed		
Subsidiaries*	109.46	1,621.74
	109.46	1,621.74
Guarantees run-down / released		
Subsidiaries*	879.12	1,027.78
	879.12	1,027.78

*Converted using closing exchange rate - March 31, 2021 : USD 75.13, EUR 85.78, THB 2.34 and ZAR 4.95 (Previous year: USD 75.56, EUR 82.58 and THB 2.30) as applicable

32.3 Outstanding Balances:

	Year ended March 31, 2021	Year ended March 31, 2020
Receivables		
Subsidiaries	11.47	17.35
	11.47	17.35
Payables		
Subsidiaries	9.03	5.83
Post Employment Benefit Plans Trust	4.53	14.37
	13.56	20.20
Interest receivable		
Subsidiaries	0.39	-
	0.39	-
Commission payable		
Key management personnel	12.84	10.22
	12.84	10.22

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
Security deposits outstanding		
Subsidiaries	0.02	0.02
Fellow Subsidiaries	3.27	3.27
Key management personnel	0.13	0.13
Enterprises over which KMP have significant influence	0.14	0.14
	3.56	3.56
Equity Investment outstanding		
Subsidiaries	83.60	83.60
	83.60	83.60
Loans outstanding		
Subsidiary	610.45	-
	610.45	-
Guarantees outstanding		
Subsidiaries**	1,960.15	2,721.01
	1,960.15	2,721.01

** Converted using closing exchange rate - March 31, 2021 : USD 73.13, EUR 85.78 (Previous year: USD 75.56, EUR 82.58, ZAR 4.24 and THB 2.30)

32.4 Key management personnel compensation

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

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

33. Employee Benefits

33.1 Defined contribution plans:

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

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

The expenses incurred on account of the above defined contribution plans have been included in Note 25 "Employee Benefits Expenses" under the head "Contribution to provident and other funds".

(i) Superannuation fund

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

(ii) Provident fund administered through Regional Provident Fund Commissioner

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

33.2 Defined benefit plans

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

(a) Gratuity

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

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

Investment Risk

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

Salary Risk

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

Interest Risk

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

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Longevity Risk

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

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

	As at March 31, 2021		As at March 31, 2020	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	6.69%	6.69%	6.77%	6.77%
Expected statutory interest rate	-	8.50%	-	8.50%
Salary increase	7.00%	-	7.00%	-
Retirement Age (years)	58	58	58	58
Mortality Rates	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Withdrawal rate				
Upto 30 years	20.00%	20.00%	20.00%	20.00%
31 to 44 years	7.00%	7.00%	7.00%	7.00%
Above 44 years	8.00%	8.00%	8.00%	8.00%

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

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

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

The current service cost and the net interest expenses for the year are included in Note 25 "Employee Benefits Expenses" under the head "Contribution to provident and other funds".

(iv) Amounts recognised in Other Comprehensive Income:

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

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

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

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

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

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

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

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

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

(viii) Sensitivity Analysis

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

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

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33.3 Other long-term employee benefit

Amounts recognized in the statement of profit and loss in note 25 "Employee Benefits expense" under the head "Salaries and wages, including bonus" are as under:

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

(i) Long Term Retention Pay

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

34. Employee Share Based Payments

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

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

35. Segment Reporting

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

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

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

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

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments. These amounts relate to continuing operations, unless otherwise stated. (Refer to note 40 with regard to information in relation to discontinued operations).

b) Segment assets and liabilities

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

A. Information about operating business segments

	Year ended March 31, 2021	Year ended March 31, 2020
Segment revenue		
a) Technical textiles business (TTB)		
- External sales	1,231.41	1,352.62
- Inter-segment sales	8.70	4.93
Total	**1,240.11**	**1,357.55**
b) Chemicals business (CB)		
- External sales	3,636.85	2,984.93
- Inter-segment sales	-	-
Total	**3,636.85**	**2,984.93**
c) Packaging films business (PFB)		
- External sales	1,888.04	1,715.03
- Inter-segment sales	-	0.42
Total	**1,888.04**	**1,715.45**
d) Others		
- External sales	232.02	278.26
- Inter-segment sales	-	0.08
Total	**232.02**	**278.34**
Total segment revenue	**6,997.02**	**6,336.27**
Less: Inter segment revenue	8.70	5.43
Revenue from operations	**6,988.32**	**6,330.84**
Add: Unallocable income	63.30	53.29
Total revenue	**7,051.62**	**6,384.13**

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	Year ended March 31, 2021	Year ended March 31, 2020
Segment profits		
(Profit before interest and tax from each segment)		
a) Technical textiles business (TTB)	176.90	151.52
b) Chemicals business (CB)	730.11	516.11
c) Packaging films business (PFB)	567.79	395.80
d) Others	25.59	31.77
Total segment results	**1,500.39**	**1,095.20**
Less: i) Interest and finance charges	111.21	182.11
Less: ii) Other unallocable expenses net of income	79.21	312.61
Profit before tax from continuing operations	**1,309.97**	**780.48**
Profit before tax from discontinued operations (Refer to note 40)	**-**	**241.82**
Total profit before tax	**1,309.97**	**1,022.30**
Capital expenditure		
a) Technical textiles business (TTB)	77.90	62.83
b) Chemicals business (CB)	618.66	503.27
c) Packaging films business (PFB)	20.46	41.33
d) Others	1.92	11.67
e) Unallocated	3.13	6.53
Total	**722.07**	**625.63**
Depreciation and amortisation		
a) Technical textiles business (TTB)	35.41	34.69
b) Chemicals business (CB)	273.09	245.33
c) Packaging films business (PFB)	54.13	50.86
d) Others	8.06	8.49
e) Unallocated	12.91	13.84
Total	**383.60**	**353.21**

Segment assets and liabilities

	As at March 31, 2021	As at March 31, 2020
Segment assets		
a) Technical textiles business (TTB)	1,594.08	1,390.20
b) Chemicals business (CB)	5,723.01	5,233.16
c) Packaging films business (PFB)	1,667.82	1,481.72
d) Others	171.97	187.37
Total	**9,156.88**	**8,292.45**
Unallocable assets	1,554.42	527.13
Total assets	**10,711.30**	**8,819.58**

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Segment liabilities		
a) Technical textiles business (TTB)	336.77	305.82
b) Chemicals business (CB)	707.94	514.46
c) Packaging films business (PFB)	338.22	291.15
d) Others	32.85	43.68
Total	**1,415.78**	**1,155.11**
Unallocable liabilities	3,000.25	2,980.22
Total liabilities	**4,416.03**	**4,135.33**

B. Information about geographical business segments

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations		
- India	3,581.87	3,639.45
- Germany	466.31	525.59
- USA	477.13	372.02
- Belgium	635.51	293.59
- Switzerland	687.75	425.38
- Others	1,139.75	1,074.81
	6,988.32	**6,330.84**

	As at March 31, 2021	As at March 31, 2020
Non current segment assets		
- Within India	6,505.08	6,022.14
- Outside India	-	-
	6,505.08	**6,022.14**

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

During the year ended March 31, 2021 one customer contributed 10.71% to the Company's revenue (Previous year: None).

Revenue from major products	Year ended March 31, 2021	Year ended March 31, 2020
a) Technical textiles business (TTB)		
Nylon tyre cord fabric/ Polyester tyre cord fabric/ Belting fabric	1,122.94	1,178.73
Synthetic filament yarn including industrial yarn/ Twine	97.21	162.86
Others	0.62	-
b) Chemicals business (CB)		
Speciality chemicals	2,389.39	1,623.83
Fluorochemicals, Refrigerant gases and Allied products	885.95	939.06
Industrial chemicals	311.00	344.89
Others	0.75	1.31
c) Packaging films business (PFB)		
Packaging films	1,853.37	1,671.53
d) Others		
Laminated fabric, Coated fabric and other ancilliary activities	226.26	264.33
	6,887.49	**6,186.54**

36. Earnings Per Share (EPS)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share:		
- From continuing operations	925.06	793.59
- From discontinued operations	-	180.59
- From continuing and discontinued operations	925.06	974.18
Weighted average number of equity shares for the purpose of calculating basic earnings per shares and diluted earnings per share (numbers)	5,82,83,078	5,74,80,500
Basic and diluted earnings per share of face value ₹ 10 each		
- From continuing operations (₹)	158.72	138.06
- From discontinued operations (₹)	-	31.42
- From continuing and discontinued operations (₹)	158.72	169.48

37. Leases

The Company leases various types of assets including land, buildings and plant and equipment. Information about leases for which the Company is a lessee is presented below.

Right-of-use assets	Land*	Buildings	Plant and equipment	Total
Cost				
Balance at April 1, 2019	**140.02**	**43.96**	**21.67**	**205.65**
Additions / adjustments	13.89	1.02	28.96	43.87
Disposals / adjustments	(5.87)	-	-	(5.87)
Balance at March 31, 2020	**148.04**	**44.98**	**50.63**	**243.65**
Additions / adjustments	3.25	2.13	1.86	7.24
Disposals / adjustments	-	(0.86)	(2.60)	(3.46)
Balance at March 31, 2021	**151.29**	**46.25**	**49.89**	**247.43**

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Right-of-use assets	Land*	Buildings	Plant and equipment	Total
Accumulated amortisation				
Balance at April 1, 2019	**-**	**-**	**-**	**-**
Depreciation expenses	1.54	6.76	8.44	16.74
Disposals / adjustments	(0.67)	-	-	(0.67)
Balance at March 31, 2020	**0.87**	**6.76**	**8.44**	**16.07**
Depreciation expenses	1.68	7.07	9.31	18.06
Disposals / adjustments	-	(0.86)	(2.60)	(3.46)
Balance at March 31, 2021	**2.55**	**12.97**	**15.15**	**30.67**
Carrying Amount				
Balance at April 1, 2019	**140.02**	**43.96**	**21.67**	**205.65**
Additions / adjustments	13.89	1.02	28.96	43.87
Disposals / adjustments	(5.20)	-	-	(5.20)
Depreciation expenses	(1.54)	(6.76)	(8.44)	(16.74)
Balance at March 31, 2020	**147.17**	**38.22**	**42.19**	**227.58**
Additions / adjustments	3.25	2.13	1.86	7.24
Disposals / adjustments	-	-	-	-
Depreciation expenses	(1.68)	(7.07)	(9.31)	(18.06)
Balance at March 31, 2021	**148.74**	**33.28**	**34.74**	**216.76**

*The execution of lease deed of land in respect of 1,149,550 sq. mtrs. (Previous year: 1,149,550 sq. mtrs.) of leasehold land allotted to the Company by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

Lease liabilities

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

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

Amounts recognised in Statement of Profit and Loss	Year ended March 31, 2021	Year ended March 31, 2020
Interest on lease liabilities	6.49	6.70
Depreciation expense	18.06	16.74
Expenses relating to short-term leases and leases of low-value assets (Refer note 28)	15.62	13.66

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

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38. Financial Instruments and Risk Management

38.1 Capital Management

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

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

	As at March 31, 2021	As at March 31, 2020
Debt	2,652.71	2,752.12
Less:		
Cash and cash equivalents	86.72	98.26
Deposit accounts with maturity beyond three months upto twelve months	135.19	0.10
Current investments	412.52	198.50
Net debt	**2,018.28**	**2,455.26**
Total equity	**6,295.27**	**4,684.25**
Net debt to equity ratio	**0.32**	**0.52**

38.2 Financial instruments by category

Financial assets	Level of hierarchy	Notes	Carrying value As at March 31, 2021	Carrying value As at March 31, 2020	Fair value As at March 31, 2021	Fair value As at March 31, 2020
Measured at amortised cost						
Trade Receivables		a	1,012.00	768.71	1,012.00	768.71
Cash and cash equivalents		a	86.72	98.26	86.72	98.26
Bank balances other than above		a	143.71	9.03	143.71	9.03
Loans		a, b	666.28	52.30	666.28	52.30
Other financial assets		a, b	180.00	186.02	180.00	186.02
			2,088.71	**1,114.32**	**2,088.71**	**1,114.32**
Measured at Fair value through profit and loss						
Investments in mutual funds and bonds / debentures	2	d	412.52	198.50	412.52	198.50
Derivative instruments	2	d	4.39	-	4.39	-
			416.91	**198.50**	**416.91**	**198.50**

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Financial assets	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Measured at Fair value through Other comprehensive income						
Investments in unquoted equity instruments	3	d	4.16	4.16	4.16	4.16
Derivative instruments	2	d	75.76	-	75.76	-
			79.92	**4.16**	**79.92**	**4.16**
Measured at amortised cost						
Borrowings		a,c	2,184.49	1,922.23	2,184.49	1,922.23
Trade payables		a	1,196.49	957.44	1,196.49	957.44
Other financial liabilities		a	499.66	846.49	499.66	846.49
			3,880.64	**3,726.16**	**3,880.64**	**3,726.16**
Measured at Fair value through profit and loss						
Derivative instruments	2	d	-	0.06	-	0.06
			-	**0.06**	**-**	**0.06**
Measured at Fair value through Other comprehensive income						
Derivative instruments	2	d	0.54	68.04	0.54	68.04
			0.54	**68.04**	**0.54**	**68.04**

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

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

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

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

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

(e) Investment value excludes investment in subsidiaries which are shown at cost in balance sheet as per Ind AS 27 "Separate financial statements".

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

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Level 1:

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

Level 2:

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

Level 3:

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

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

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

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

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

Reconciliation of Level 3 fair value measurements	Unlisted equity instruments	Financial Guarantee Contracts
As at March 31, 2019	**0.11**	**2.55**
Purchase of investment	4.05	-
Income recognised in profit and loss	-	(2.55)
As at March 31, 2020	**4.16**	**-**
Purchase of investment	-	-
As at March 31, 2021	**4.16**	**-**

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

38.3 Financial Risk Management

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

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

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

38.3.1 Market Risk

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

A. Foreign Currency Risk Management

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

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

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

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	Assets		Liabilities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	729.29	247.47	1,903.09	1,483.12
EUR	257.67	111.16	512.07	585.07
JPY	-	-	9.95	6.87
GBP	3.15	4.13	13.12	0.14

Foreign currency sensitivity analysis

The Company is mainly exposed to changes in USD, EUR, JPY and GBP exchange rates.

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

	Year ended March 31, 2021		Year ended March 31, 2020	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss)*				
USD	6.10	(6.10)	8.43	(8.43)
EUR	(2.52)	2.52	(1.03)	1.03
JPY	0.10	(0.10)	0.07	(0.07)
GBP	0.10	(0.10)	(0.04)	0.04

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

Impact on equity (Other Comprehensive Income)				
USD	5.49	(5.49)	3.78	(3.78)
EUR	5.08	(5.08)	5.78	(5.78)

Foreign exchange derivative and non-derivative financial instruments

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

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

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

* Computed using average forward contract rates

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

	Year ended March 31, 2021		Year ended March 31, 2020	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) for the year				
USD	1.76	(1.76)	0.27	(0.27)
EUR	0.34	(0.34)	0.50	(0.50)
Impact on equity				
USD	37.82	(37.82)	19.60	(19.60)
EUR	3.40	(3.40)	3.31	(3.31)

B. Interest Rate Risk Management

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

The Company manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings. The Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts, calculated by reference to an agreed principal amount outstanding at the time of inception of the swap. Out of the total long term borrowings, the amount of fixed interest loan is ₹ 899 Crores and floating interest loan is ₹ 917 Crores (Previous year: Fixed interest loan ₹ 838 Crores and Floating interest loan ₹ 1,026 Crores).

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

	Year ended March 31, 2021		Year ended March 31, 2020	
	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %	₹ loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %
Increase in profit before tax by	2.85	0.52	1.48	1.09

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

Managing interest rate benchmark reform and associated risks

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

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

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

Interest Rate Swap Contracts

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

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

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

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

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

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

C. Hedge accounting

Cash flow hedges

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

Hedging instruments	As at March 31, 2021: Nominal amount	As at March 31, 2021: Carrying amount Assets / (liabilities)	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	As at March 31, 2020: Nominal amount	As at March 31, 2020: Carrying amount Assets / (liabilities)	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
Foreign exchange contracts	4,197.13	74.75	Other financial assets (current and non - current)	140.37	2,224.80	(65.62)	Other financial liabilities (current and non - current)	(92.75)
Foreign currency denominated loans	1,055.91	(1,055.91)	Borrowings (current and non - current)	(1.27)	955.86	(955.86)	Non current borrowings	(65.90)
Interest rate swap contacts	227.17	1.01	Other financial assets (current and non - current)	1.01	113.70	-	Other financial assets (current and non - current)	(6.14)
		(0.54)	Other financial liabilities (current and non - current)	1.88		(2.42)	Other financial liabilities (current and non - current)	

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

Fair Value hedges

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

Hedging instruments	As at March 31, 2021: Nominal amount	As at March 31, 2021: Carrying amount Assets / (liabilities)	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 statement of profit and loss	As at March 31, 2020: Nominal amount	As at March 31, 2020: Carrying amount Assets / (liabilities)	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 statement of profit and loss
Foreign exchange contracts	215.21	4.39	Other financial assets (current and non - current)	4.44	76.58	(0.06)	Other financial liabilities (current and non - current)	(3.46)

Movement of cash flow hedging reserve and cost of hedging reserve

Particulars	Cash flow hedging reserve: As at March 31, 2021	Cash flow hedging reserve: As at March 31, 2020	Cost of hedging reserve: As at March 31, 2021	Cost of hedging reserve: As at March 31, 2020
Opening Balance	**(78.56)**	**28.65**	**-**	**-**
Changes in the spot element of the forward contracts which is designated as hedging instruments for time period related hedge	7.04	-	-	-
Changes in the forward element of the forward contracts where changes in spot element of forward contract is designated as hedging instruments for time period related hedges	-	-	3.87	-
Changes in fair value of forward contracts designated as hedging instruments	130.71	(92.75)	-	-
Changes in fair value of interest rate swaps	2.89	(6.14)	-	-
Amount reclassified to Profit or Loss (Foreign exchange (gain) / loss)	3.12	-	(2.92)	-
Amount arising from remeasurement of financial liability	(11.43)	(65.90)	-	-
Taxes related to above	(46.24)	57.58	(0.33)	-
Closing Balance	**7.53**	**(78.56)**	**0.62**	**-**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

38.3.2 Credit Risk Management

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

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

Expected credit loss on financial assets:

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

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

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

	Note No.	As at March 31, 2021	As at March 31, 2020
Loans - current	6	2.74	2.74
Trade receivables	10	3.96	2.46
		6.70	**5.20**

Movement of loss allowance :

	Loans (current and non current)	Trade receivables
As at March 31, 2019	**2.81**	**1.64**
Provided during the year	0.31	1.56
Reversed / utilised during the year	(0.38)	(0.74)
As at March 31, 2020	**2.74**	**2.46**
Provided during the year	0.24	11.82
Reversed / utilised during the year	(0.24)	(10.32)
As at March 31, 2021	**2.74**	**3.96**

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

38.3.3 Liquidity Risk Management

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

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

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2021				
Borrowings*	1,198.91	1,466.63	-	**2,665.54**
Lease Liabilities**	19.30	53.85	53.68	**126.83**
Trade payables	1,196.49	-	-	**1,196.49**
Other financial liabilities	109.08	0.54	-	**109.62**
	2,523.78	**1,521.02**	**53.68**	**4,098.48**

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2020				
Borrowings*	1,606.02	1,122.11	20.24	**2,748.37**
Lease Liabilities**	20.06	57.23	65.09	**142.38**
Trade payables	957.44	-	-	**957.44**
Other financial liabilities	149.53	22.87	-	**172.40**
	2,733.05	**1,202.21**	**85.33**	**4,020.59**

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

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

39. Contract Balances

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

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

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for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

Contract liability	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	10.75	14.74
Revenue recognised that was included in the contract liability balance at the beginning of the period	(10.75)	(14.74)
Increase due to cash received, excluding the amount recognised as revenue during the period	13.53	10.75
	13.53	**10.75**

40. Discontinued Operations

(a) Description:

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

(b) Financial performance and Cash flow information:

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(c) Revenue from major products

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

(d) Details of disposal of discontinued operations:

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

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

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

(f) Pursuant to requirements of Ind AS 105, the amounts in the statement of profit and loss (and notes 22 to 28) for the previous year have been presented for continuing operations, as applicable, unless otherwise stated.

41. Additional Disclosures

(a) Research and Development Expenditure

The details of research and development expenditure of ₹ 110.50 Crores (Previous year: ₹ 132.77 Crores) included in these financial statements are as under:

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

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for the year ended March 31, 2021

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

	Year ended March 31, 2021	Year ended March 31, 2020
Cost of material consumed	2.73	1.51
Salaries and wages, including bonus	42.97	37.85
Contribution to provident and other funds	2.61	2.45
Workmen and staff welfare expenses	2.72	3.62
Stores and spares consumed	6.11	6.15
Power and fuel	4.84	7.74
Rent	-	0.04
Repairs and maintenance		
- Buildings	-	-
- Plant and machinery	8.32	10.86
- Others	0.58	1.26
Insurance	0.96	0.87
Rates and taxes	0.07	0.04
Travelling and conveyance	0.16	1.27
Legal and professional charges	3.58	3.95
Depreciation and amortisation expense	18.33	19.09
Interest cost	0.28	0.36
Miscellaneous expenses	2.78	2.62
	97.04	**99.68**

(b) Managerial Remuneration

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

(ii) Computation of managerial remuneration in accordance with section 197 of the Companies Act, 2013

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before taxation	1,309.97	1,022.30
Add:		
Managerial remuneration including commission	27.65	23.86
Loss/ write off of fixed assets as per accounts	1.37	2.87
Provision for doubtful debts/ advances/ investments	1.44	0.86
Sub Total	**30.46**	**27.59**
Less:		
Profit on sale of fixed assets as per accounts	0.39	12.76
Profit on disposal of discontined operations	-	233.74
Net Gain on financial assets measured at FVTPL	25.45	9.38
Excess Provision written back	11.42	2.82
Sub Total	**37.26**	**258.70**
Profit as per section 197 of the Companies Act, 2013	**1,303.17**	**791.19**
Maximum remuneration as commission and/ or salary including perquisites @ 10% of net profit of ₹ 1303.17 Crores (Previous year: ₹ 791.19 Crores) which can be paid to Managing Directors/ Whole time Directors under section 197 of the 2013 Act	130.32	79.12
Remuneration paid/ payable to Managing Directors / Whole Time Directors	**26.40**	**22.81**
Maximum remuneration payable to Non-Executive Directors @ 1% of net profit of ₹ 1303.17 Crores (Previous year: ₹ 791.19 Crores) under section 197 of the 2013 Act	13.03	7.91
Remuneration paid/ payable to Non-Executive Directors	**1.25**	**1.05**

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

Exchange loss/ (gain) added/ (adjusted)	Year ended March 31, 2021	Year ended March 31, 2020
Property, plant and equipment		
- Plant and equipment	(8.60)	32.97
	(8.60)	**32.97**
Other Intangible Assets		
- Trade marks/ Brands	-	0.33
- Technical knowhow	-	0.19
- Others	-	0.09
	-	**0.61**

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for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

The cumulative exchange loss/ (gain) added/ (adjusted) and remaining unamortised as at March 31, 2021 is ₹ 130.49 Crores (Previous year: ₹ 153.11 Crores).

(d) Disclosures pursuant to section 186(4) of the Companies Act, 2013 and regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as applicable:

(i) Details of guarantees:

Nature of Guarantees	Purpose
Refer note 31 (d) above	To secure the financial facilities sanctioned to subsidiaries by banks and other companies.

(ii) Details of investments:

Nature of Investments	Purpose
Refer note 5.1 above	Investment in wholly owned subsidiaries.

(iii) Details of unsecured loans given:

Particulars of loans	Terms	As at March 31, 2021	As at March 31, 2020
SRF Global BV (denominated in USD) - given for prepayment of existing borrowings	Principal amount repayable from December 2021 to March 2023. Interest on a fixed rate basis, payable annually. The effective yield is in compliance with Section 186 of the Companies Act, 2013.		
As at the beginning of the year		-	-
Given during the year		439.45	-
Foreign currency exchange fluctuation gain / (loss)		(0.55)	-
As at end of the year		438.90	-
Maximum balance outstanding		439.45	-
SRF Global BV (denominated in EUR) - given for prepayment of existing borrowings	Principal amount repayable in June 2023. Interest on a fixed rate basis, payable annually. The effective yield is in compliance with Section 186 of the Companies Act, 2013.		
As at the beginning of the year		-	-
Given during the year		178.03	-
Foreign currency exchange fluctuation gain / (loss)		(6.48)	-
As at end of the year		171.55	-
Maximum balance outstanding		178.03	-

(e) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ Crores, unless otherwise stated)

specified domestic transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2021 is to be conducted on or before due date of the filing of return and the Company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

(f) Disclosure on corporate social responsibility expense:

	Year ended March 31, 2021	Year ended March 31, 2020
(i) Prescribed CSR expenditure as per Section 135 of the Companies Act, 2013	12.88	11.63
(ii) Amount approved by the Board to be spent during the year	12.88	12.00
(iii) Actual amount spent during the year on purposes other than construction / acquisition of an asset (also refer note 32.2)	10.18	12.00
Details of expenditure:		
- In respect of ongoing projects (rural education and skill programme):		
a) Amount required to be spent during the year	7.00	-
b) Actual amount spent during the year from companies bank account	4.30	-
c) Remaining unpaid at the end of the year with company*	2.70	-
- In respect of other than ongoing projects:		
a) Amount required to be spent during the year	5.88	11.63
b) Actual amount spent during the year from companies bank account	5.88	12.00

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

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

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

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

For and on behalf of the Board of Directors

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

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

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

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

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