ANNUAL REPORT 2022-23

CREATING VALUE, THE SUSTAINABLE WAY

SRF

We always find a better way

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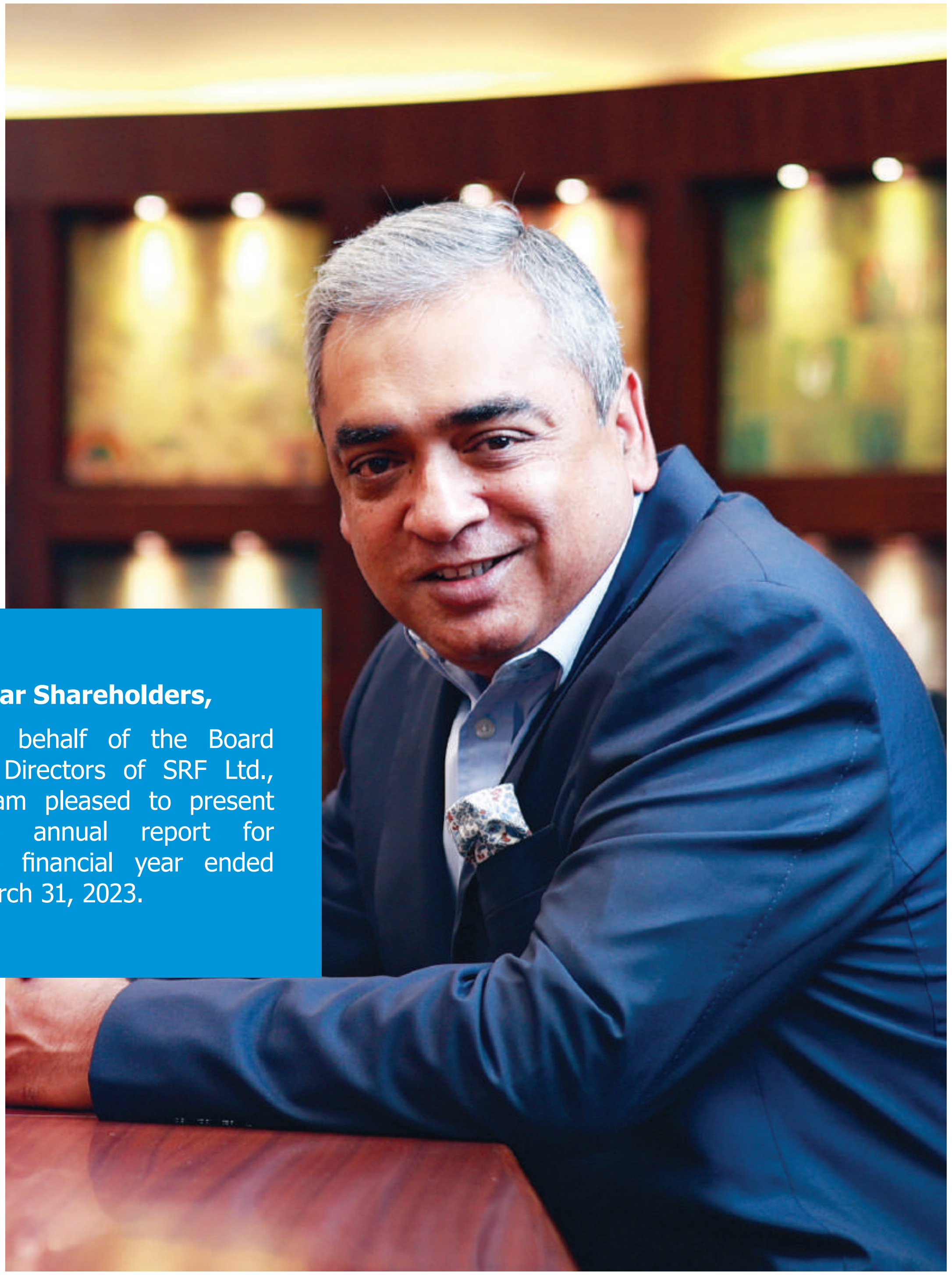
CHAIRMAN'S MESSAGE



Dear Shareholders,

On behalf of the Board of Directors of SRF Ltd., I am pleased to present the annual report for the financial year ended March 31, 2023.

From a financial point of view, in FY23, SRF's revenue increased 20% from ₹12,434 crore to ₹14,870 crore over Corresponding Period Last Year (CPLY). The Company's EBIT increased 13% from ₹2,835 crore to ₹3,193 crore and the Profit after Tax increased 14% from ₹1,889 crore to ₹2,162 crore, over CPLY.

Throughout FY23, the operating environment was characterised by complexity and uncertainty: the volatile international crude oil prices, which led to fluctuation in the prices of certain key raw materials; the low level of demand from customers of our Technical Textiles and Packaging Films Businesses; and the overall macroeconomic and geopolitical upheavals. Having said that, our Chemicals Business performed exceedingly well, both on operating and financial parameters.

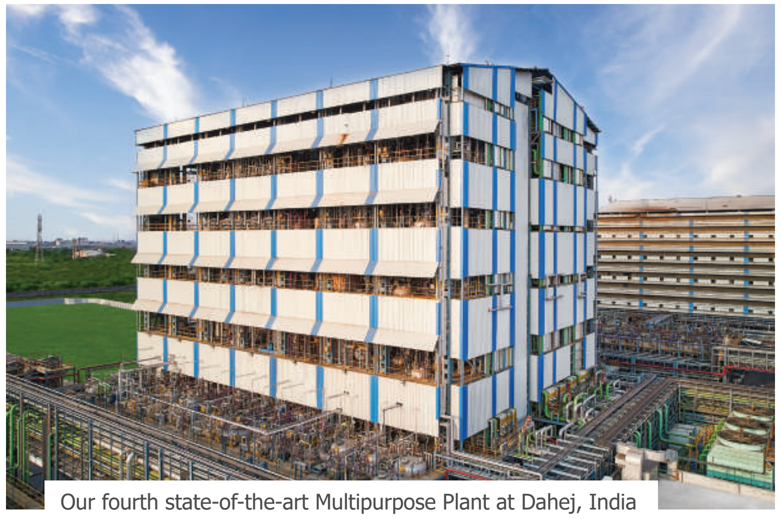
SRF's progress has always been purposeful – beyond profits and always inclusive. Mindfulness in our actions and awareness about the impact of our decisions, have helped us be the changemakers for a better tomorrow. It explains why we chose – '**Creating Value, the Sustainable Way',** as the theme of our annual report this year. We remain committed to the sustainable growth of our Business.

The Year Under Review

Backed by a strong sense of purpose, and a clear strategic vision, SRF demonstrated resilience and delivered an exceptional performance in FY23.

From a financial point of view, in FY23, SRF's revenue increased 20% from ₹12,434 crore to ₹14,870 crore over Corresponding Period Last Year (CPLY). The Company's EBIT increased 13% from ₹2,835 crore to ₹3,193 crore and the Profit after Tax increased 14% from ₹1,889 crore to ₹2,162 crore, over CPLY.

Let me now talk about some of the milestones achieved by each of our Businesses in FY23.



Our fourth state-of-the-art Multipurpose Plant at Dahej, India

Chemicals Business

In FY23, the Chemicals Business accomplished strong growth of 41.4% Year-over-Year (Y-o-Y) to achieve record revenues of ₹7,410.9 crore.

Specialty Chemicals Business

Our **Specialty Chemicals Business** (SCB) performed remarkably well in the year, driven by strong demand in both the export and domestic markets. The basic premise that the world is looking at alternative options to build a reliable supply chain holds true and as a result the value proposition for SCB remains very strong. Our new product portfolio is being enhanced continuously, which also helps us expand and strengthen our customer base further. During FY23, we launched four new products in the agrochemicals space and one product in the pharma segment and our developmental pipeline is stronger than ever before.

The Business continues to make investments towards safer, cleaner, and leaner operations, and further strengthen its sustainability initiatives. During the year, we successfully commissioned our state-of-the-art Multi-Purpose Production (MPP4) facility, a dedicated facility each for agrochemical and pharmaceutical intermediates and a Thermal Oxidation facility at Dahej.

The centrepiece of this sustained growth momentum has been the technological advances and breakthroughs achieved by our team of researchers and scientists. Today, the Chemicals Technology Group (CTG) has transformed into the innovation and technology leadership hub at SRF, developing a variety of new technologies and platforms to bolster SRF into next-level technology play. In this regard, I am pleased to share that in FY23, our R&D and scale-up facilities were further augmented, and a new R&D facility was commissioned to achieve this. With R&D getting integrated in one location at Bhiwadi, we expect further enhancement in the collaborative efforts of our researchers and scientists.

Fluorochemicals Business

The **Fluorochemicals Business** (FCB) delivered a solid performance in FY23, owing to higher sales volumes and enhanced realisations in the refrigerants, blends, and chloromethanes segments, in both the domestic and export markets. Our continued focus on growing our export markets, especially in the US has borne fruit.

Moreover, our Dymel® HFA 134a/P (pharma grade) gas continued to expand its presence in several countries and recorded healthy growth. With a solid demand outlook in important markets like India, parts of Europe, US, and the Middle East, we will continue to focus on operating our facilities as efficiently as possible to maintain the business' dominant market position.

In FY23, our second CMS plant in Dahej was commissioned successfully. At approx. 100,000 Metric Tonnes Per Annum (MTPA), it is one of the largest of its kind plants anywhere in the world. We also commissioned a new captive power plant, which ensures that the Dahej site will not be starved for any of its utility needs, and a calcium chloride plant.

Work on the new HFC plant remains on track and product approvals for the PTFE plant, to be commissioned shortly, are underway. In addition to the above, the Board approved a project to expand our fluoropolymers range beyond PTFE to other specialty fluoropolymers during the year.

In FY23, our second CMS plant in Dahej was commissioned successfully. At approx. 100,000 Metric Tonnes Per Annum (MTPA), it is one of the largest of its kind plants anywhere in the world.


Our second CMS Plant in Dahej

Packaging Films Business

In FY23, our **Packaging Films Business** witnessed moderate growth of 8.4% Y-o-Y to achieve revenues of ₹5,182.7 crore.

During the year, the Packaging Films Business faced headwinds with several new lines getting operationalised in both the BOPET and BOPP film segments in India and overseas. In addition, a decline in the global demand, coupled with elevated energy costs in Europe adversely impacted our operations in Hungary. We have since seen some moderation in the energy index and are confident of a better performance in FY24. We have also debottlenecked our capacity in South Africa by ~15%, which will give us some added benefits in the year ahead.

I am pleased to share that during the year, we successfully commissioned our 2nd BOPP Film Line and Metalliser at Indore, India. This investment for the expanded BOPP film production means that we are adding another 60,000 MTPA to our existing BOPP capacity of 45,000 MTPA in India. It will further boost SRF's position in the BOPP market in India and enhance volume growth in the future. It is also a matter of great pride that our Packaging Films Business (Indore) was recognised with the Quality Sustainability Award at the international convention, organised by the International Academy for Quality (IAQ), second year in a row, in recognition of our work in the area of innovating films that have a lower environmental footprint.

Our VAP story remains on track and our Aluminium Foil project is likely to start towards the end of Q2 in FY24. With this project coming on stream, it will make SRF one of a handful of companies globally that provides three of the major substrates — BOPET, BOPP and Aluminium Foil. We believe that the ability to cross-sell all three will be unique to SRF.

As demand pivots towards global suppliers with multi-locational facilities, and with our focus on operational efficiencies, cost reduction initiatives to mitigate volatility and our strong customer relationships, we remain cautiously optimistic about the prospects of this Business.

Technical Textiles Business

In FY23, our **Technical Textiles Business** witnessed de-growth of 9.2% Y-o-Y, to close the year with revenues of ₹1,893.9 crore.

Overall, the Technical Textiles Business witnessed a subdued performance, owing to weak demand for the Nylon Tyre Cord Fabric (NTCF), our foundation business segment. Having said that, we are seeing trends for a slight improvement in demand for NTCF. This is based on our interactions with our customers. Our focus will be on ramping up capacity utilisation.

In the future, we will build on the non-tyre market in order to de-risk Technical Textiles Business from NTCF. We expect the demand for Belting Fabrics to grow in the near future due to an increased Government focus on infrastructural development. In this regard, I am pleased to share that a project for capacity expansion and modernisation of Belting Fabrics operations at Viralimalai, India from 1,100 Metric Tonnes Per Month (MTPM) to 1,800 MTPM was approved during the year. This investment will aid in enhancing our market share further and provide a strong margin profile, which is sustainable in the medium-to-long term. In addition, the sales of high-end VAPs and commercialising Solid Woven products will be our focus in the Belting Fabrics segment.

Polyester Industrial Yarn demand is expected to go up with key drivers being geo-textiles and seat belts.

Overall, we expect the Business to experience moderate growth in FY24.

Other Businesses

In FY23, our Other Businesses demonstrated promising results of 15.4% Y-o-Y to achieve healthy revenues of ₹392.6 crore.

We achieved the highest-ever EBITDA in the **Coated Fabrics Business**, maintaining our domestic market leadership in the segment. In the **Laminated Fabrics Business** too, we managed overall volume and price leadership, despite an over-supply situation in the market that adversely impacted realisations in this segment.

An Employer of Choice

Our People are at the heart of our success and our continuing endeavours to do better. Our HR policies are crafted to ensure professional growth while contributing to the employee's sense of pride and well-being. Our record employee engagement scores and people practices have also been recognised externally, as highlighted by our recent inclusion on the Fortune 'Employers of the Future' list.

Uplifting Lives and Livelihoods

Our commitment to the communities we serve has never been stronger. Working in the areas of education, healthcare, skills development, and the bridging of the digital divide between urban and rural India, our programmes are scaling well - in reach as well as depth of impact. Today, these initiatives are touching the lives of over 2 lakh beneficiaries – children, youth, women, and marginalised people.

Looking ahead

I believe that our Chemicals Business will continue to do well, and we will target a 20% growth in FY24 as well, which in my view will be exceptional considering the global headwinds that we are seeing. Our **Packaging Films Business** is expected to have a tough year, but we will find countermeasures as we go along. This is a part-and-parcel of business cycles.

We will continue to invest ahead of time in our **Chemicals Business** and work towards capitalising the many attractive growth opportunities we see in this Business.

In closing

I would like to thank everyone who supported us throughout this eventful year. I am grateful to our customers for entrusting us with their business, to our Board for providing invaluable guidance and to our shareholders for their continued support. I also wish to express my appreciation to our employees, who delivered successful outcomes across the globe. I look forward to the year ahead and am excited about what we can achieve together.

Sincerely,

Ashish Bharat Ram

Chairman and Managing Director
SRF Limited

SRF LIMITED AT A GLANCE

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

At SRF, we stand committed to serving our customers in the best possible manner through our wide range of products and services. Pursuing our passion, we have adopted 'continuous improvement' as a motto that shapes our plans and actions. With our diverse portfolio, we strive to provide the highest quality of sustainable, industrial and specialty intermediates that contribute to a better way of life.

Our maxim – **"We always find a better way"** – is encapsulated not only in the products that we manufacture and the superior processes that we adopt but also amply demonstrated in our penchant for innovation, technology leadership, employee engagement, professional management, transparent governance and inclusive growth.

Bird's eye view of our Dahej facility

AWARDS & RECOGNITION

SRF is proud to be recognised by some of the most important and influential publications and organisations around the world in FY23.

BEST CEO AWARDS

SRF's Chairman and Managing Director, Ashish Bharat Ram named **India's Best CEO** in the Mid-sized Companies category of the **Business Today-PwC India's Best CEOs.**

Awarded the **Best Family Business** in the Giga category at the first-ever Moneycontrol Indian Family Business Awards 2021

Received the **Finance Transformation Initiative of the Year Award** - The C2FO program

Named **Employer of the Future** by FORTUNE INDIA Magazine

Won the award for **Enlightened Growth Leadership**, 2022 by the Frost & Sullivan Institute

SRF's President & CFO, Rahul Jain recognised with the **"FE Financial Star" award** under Financial Express.com FE POWER LIST

Mahatma Award for Social Good and Impact in Quality Education earned by SRF Foundation

SRF's Chemicals manufacturing facility in Bhiwadi, Rajasthan honoured with the **Bhamashah Award** by the Government of Rajasthan. The site received this award for outstanding contribution in Education and Infrastructural development of Government Schools in Alwar, Rajasthan

SRF's Packaging Films Business is the recipient of the **IAQ Quality Sustainability Award** by the International Academy for Quality (IAQ)

SRF's Fluorochemicals Business unit in Thailand was conferred the **'Best Supplier' Award** by Toshiba

OUR LOCATIONS

CHEMICALS BUSINESS

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

PACKAGING FILMS BUSINESS

National

- Rampura, Ramnagar Road, Kashipur - 244 713, Uttarakhand
- Special Economic Zone, Pithampur – 454 775, Madhya Pradesh
- Industrial Area, Bagdoon, Pithampur – 454 775, Madhya Pradesh
- Industrial Growth Centre, Pithampur – 454 775, Madhya Pradesh
- SRF Altech Ltd. Jetapur-Palasia Industrial Area, Jetapur – 454 552, Madhya Pradesh

International

- SRF Industries (Thailand) Ltd. D-20, Hemraj Eastern Seaboard Industrial Estate, Amphur Pluakdaeng, Rayong - 21140
- SRF Flexipak (South Africa) Ltd. 5 Eddie Hagan Drive, Cato Ridge 3680, KwaZulu-Natal, Durban
- SRF Europe Kft. SRF Ut 1, Jászfényszaru-5126, Hungary

TECHNICAL TEXTILES BUSINESS

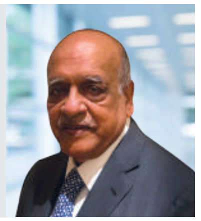
- Plot No. K1, SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur, District - Tamil Nadu, India - 601 201
- Manali Industrial Area, Manali, Chennai, Tamil Nadu, India - 600 068
- Viralimalai, District - Pudukottai, Tamil Nadu, India - 621 316
- Malanpur Industrial Area, Bhind, Madhya Pradesh, India - 477 116

OTHER BUSINESSES

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

CHAIRMAN EMERITUS

Arun Bharat Ram



BOARD OF DIRECTORS

Ashish Bharat Ram
Chairman & Managing Director

Kartik Bharat Ram
Joint Managing Director

Pramod G. Gujarathi
Director (Safety & Environment) and Occupier

Vellayan Subbiah
Non-Executive, Non-Independent Director

Tejpreet S Chopra
Independent Director

Lakshman Lakshminarayan
Independent Director

Bharti Gupta Ramola
Independent Director

Puneet Yadu Dalmia
Independent Director

Yash Gupta
Independent Director

Raj Kumar Jain
Independent Director

CORPORATE INFORMATION

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

President & CFO
Rahul Jain

Sr. Vice President (Corporate Compliance) & Company Secretary
Rajat Lakhanpal

Bankers
ICICI Bank
State Bank of India
Standard Chartered Bank
Citibank NA
DBS Bank India Limited
HDFC Bank
Kotak Mahindra Bank
HSBC
Yes Bank
MUFG Bank Limited
Sumitomo Mitsui Banking Corporation
Mizuho Bank Limited

Registered Office
(CIN: L18101DL1970PLC005197)
Unit Nos. 236 & 237, 2nd Floor,
DLF Galleria, Mayur Place,
Noida Link Road, Mayur Vihar
Phase I Extension,
Delhi, India - 110 091
Tel: +91-11- 49482870

Corporate Office
Block - C, Sector - 45,
Gurugram - 122 003,
Haryana, India
Email: cs@srf.com
www.srf.com

OUR APPROACH TO ESG

ABOUT THE ESG REPORT

The ESG report provides a holistic overview of our sustainable and responsible approach to creating long-term value for our stakeholders, including customers, investors, employees, communities, etc., and sustainably leading our business operations. It reflects the financial and non-financial performance of SRF Limited highlighting the current system, processes, performance and initiatives undertaken in the reporting period.

Scope and Boundary

The report highlights the performance of SRF Limited for the period April 1, 2022 to March 31, 2023. This report covers the following businesses of SRF Limited:

- Chemicals Business
- Packaging Films Business
- Technical Textiles Business

Other businesses such as Laminated Fabrics and Coated Fabrics are not considered.

Financial numbers in this report are given on a consolidated basis.

Reporting Frameworks

The report is aligned with the 'Guiding Principles' and the 'Content Elements' of the International Integrated Reporting Council's (IIRC) framework. The content also conforms to the Global Reporting Initiative (GRI) standard.

The Company has disclosed required information in accordance with Business Responsibility and Sustainability Reporting (BRSR) disclosure principles wherever applicable. The financial and statutory information in this report is in accordance with the requirements of the Companies Act, 2013, Indian Accounting Standards, and the Secretarial Standards.

Business Portfolio

Chemicals Business

Packaging Films Business

Technical Textiles Business

CHEMICALS BUSINESS

The Chemicals business includes two segments, namely Specialty Chemicals and Fluorochemicals.

Specialty Chemicals

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

Fluorochemicals

- Manufacturer of ozone-friendly refrigerants in India with global-scale fully integrated facilities
- Pharma propellants and industrial chemicals

PACKAGING FILMS BUSINESS

- State-of-the-art facilities having the capability to offer innovative solutions in BOPET and BOPP Films
- Spectrum of product mix includes transparent, metalised, coated, and other value-added films finding diverse applications in fast moving consumer goods, food & agro, confectionery, soaps & detergents, solar panels, labelling, overwraps, embossing, etc.

TECHNICAL TEXTILES BUSINESS

- The largest manufacturer of technical textiles in India
- Product basket for technical textiles includes tyre cord fabrics, belting fabrics and industrial yarn and is used in varied applications, such as tyres, seatbelts, conveyor-belts and other industrial applications

Industries we serve

With our presence in India, Thailand, South Africa, and Hungary, we serve customers in over 86 countries globally.

Automotive	Pharmaceuticals	Air Conditioning	Manufacturing
Food & Agro	Renewable Energy	Lifestyle & Decor	Agrochemicals
FMCG	Refrigeration	Technical Textiles	Advertising
Events & Exhibitions	Mining	Electronics	Chemicals

ESG Highlights

SRF Limited is committed towards building an organisation that is focussed on long-term sustainable growth and development. We believe our ESG journey is inherently a collaborative one, inclusive of planet, people, and profit. This section of the report reflects our commitments, current systems, performance, and initiatives undertaken by SRF for mainstreaming ESG in our business activities. The report provides standalone nonfinancial information on SRF Limited and covers the period from April 1, 2022 to March 31, 2023.

Performance Snapshot

31% Increase in Energy consumption from renewable sources (including biomass consumption) from FY22	**38.45** TJ of energy saved	**8.30%** Increase in recycled water from FY22	**1,201 TJ** Energy consumed from renewable sources and biomass
61% Reduction in LTIFR from FY22	**~1.6 Lakh** Training hours	**3.5 Lakh** CSR beneficiaries	**16%** Increase of females at management level from FY22
18 New process patents granted	**₹ 3,708 Cr.** EBIDTA	**₹ 2,162 Cr.** PAT	**₹ 14,870 Cr.** Gross Operating Revenue

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Our prosperity is proportional to our good corporate governance practices

At SRF, an efficient governance framework is a crucial element in achieving success and generating long-term value for all stakeholders. The corporate governance structure aligns with the Company's deeply ingrained and widely practised core values. The Board is dedicated to fostering an ecosystem that encourages effective corporate governance, internal controls, accountability, and financial prudence. To capitalise on various opportunities at all levels, robust processes and systems are established to support and develop organisational capabilities. This reinforces SRF's commitment to operating with the utmost standards of integrity, ethics, and transparency to gain and retain the trust of its people, customers, vendors, communities, and other relevant stakeholders.

Board of Directors

We firmly believe that a Board that is both proactive and well-informed, as well as impartial, is crucial in maintaining the utmost level of corporate governance standards. Our Board of Directors is a group of industry professionals who come with diverse skill sets, and rich experiences which enable and facilitate effective decision-making and execution of sustainable and long-term strategies. The Board conducts thorough evaluations of all significant aspects of the Company, ensuring that all business activities align with the Company's long-term objectives. Board members oversee the Company's financial, environmental, and social performance, as well as address key risks and opportunities.

Arun Bharat Ram
Chairman Emeritus

Ashish Bharat Ram
Chairman & Managing Director

Kartik Bharat Ram
Joint Managing Director

Tejpreet S Chopra
Independent Director

Vellayan Subbiah
Non-Executive, Non-Independent Director

Lakshman Lakshminarayan
Independent Director

Pramod G. Gujarathi
Director (Safety & Environment) and Occupier

Bharti Gupta Ramola
Independent Director

Puneet Yadu Dalmia
Independent Director

Yash Gupta
Independent Director

Raj Kumar Jain
Independent Director

- Risk Management Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Committee Chairman
- Audit Committee
- Corporate Social Responsibility Committee
- Committee of Directors Financial Resources

Board Committees

Teams that go beyond their duty to nurture stakeholder relationships and give them the value they deserve.

At SRF, the governance structure encompasses six committees at the Board level, each with distinct roles and responsibilities. These committees play a critical role in safeguarding the interests of all shareholders and aiding the Company's ascent to market leadership.

Board of Directors

- Audit Committee
- Nomination and Remuneration Committee
- CSR Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Committee of Directors Financial Resources

Refer Corporate Governance Report for a detailed description.

Our Policies and Codes

At SRF, we believe that implementing robust policies and practices that consider Environmental, Social, and Governance (ESG) factors is essential in the decision-making process. We continuously reassess and reimagine our strategies to keep up with the rapidly changing business landscape and the evolving needs of our consumers. Our policies offer explicit guidance to employees regarding their ethical and behavioural standards to uphold our organisation's values and ensure responsible business practices. While compliance with these policies is obligatory for all employees, we also promote and encourage all other stakeholders to adopt and adhere to the same.

- Environmental Management Policy
- Occupational Health and Safety Policy
- Equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016
- Policy on promote inclusive growth and equitable development
- Policy to promote respect and well-being of employees and value chain partners
- Human Rights Policy
- Policy respecting the interests of stakeholders
- Policy on responsible engagement with consumers
- Policy on provision of sustainable and safe provision of goods and services

- Code of Conduct
- Supplier Code of Conduct
- Board Diversity Policy
- Privacy Policy
- Information Security/ Cybersecurity Policy
- Anti-corruption and Bribery Policy/Whistle-blower Policy
- Ethical, Transparent and Accountable Policy
- Tax Policy & Governance
- Policy on responsibility and transparency when engaging in influencing public and regulatory
- Business Responsibility Policy
- POSH Policy

Our Code of Conduct

The Company's Code of Conduct (CoC) serves as evidence of the organisation's commitment to conducting business with the highest levels of integrity, honesty, and accountability. The CoC ensures compliance with internal standards of business practices and encompasses areas such as regulatory compliance, fair employment practices, environmental, health and safety, conflicts of interest, and safeguarding the Company's assets. The Board members and senior management representatives adhere to the principles outlined in the Code of Conduct. The CoC, combined with the Whistle-blower policy, reinforces the Company's stated values (RINEW) and encourages ethical behaviour and transparency in business.

Code of Conduct

- Equal employment opportunity
- Prevention of sexual harassment
- Invention/Innovation
- Insider trading
- Company Policies and Records
- Rules for gifts and entertainments
- Conduct with customers and suppliers
- Conflict of Interest

Sustainability Governance Framework

1
Corporate Leadership Team (CLT)

- CLT is represented by Chairman & MD, Jt. Managing Director respective business CEO's, CFO, CIO and CHRO
- The CLT provides guidance for making all the major business decisions at the Group level. It implements strategies across the organisation through the Business Leadership Team and Process Owners

2
Business Leadership Team (BLT)

- BLT is represented by various heads of functions, including marketing, strategic sourcing, HR, Finance, IT, Operations and TQM
- The Business Leadership Team implements and monitors sustainability performance at business levels

3
Process Owners

- The Process Owners are represented by heads of different functions such as, HR, Safety, Finance, Engineering, Production and Processes.

Compliances and Regulations

SRF Limited implements a structured approach to supervise compliance-related matters. The Company utilises an internally developed tool called "Compliance Manager" to continuously monitor and update the status of each non-compliance. Additionally, a well-defined escalation matrix is in place to monitor non-compliance across all business units. SRF ensures timely and transparent disclosures in all reports and documents filed or submitted to comply with relevant legal provisions.

Industry Associations

SRF, a socially responsible corporate entity, strives to establish shared value for all stakeholders and promote industry growth and national development. The Company is affiliated with various industry and trade associations and actively engages in cross-industry forums to facilitate the exchange of best practices, advocate for industry concerns, and implement a variety of reforms and initiatives for the advancement of the industry and society.

SRF Limited is a member of the following trade and industry chambers:

- Confederation of Indian Industry
- Refrigerant Gases Manufacture Association
- Indian Chemical Council
- CHEMEXCIL
- National Safety Council
- Centre for Chemical Process Safety
- The Synthetic & Rayon Textiles Export Promotion Council
- Indian Technical Textile Association (ITTA)
- Association of Synthetic Fibre Industry
- Indian Society for Quality
- Quality Circle Forum of India
- British Safety Council

MATERIALITY ASSESSMENT

Materiality assessment helps in identifying and prioritising key environmental, social and governance topics which influence the Company's strategy, investments, business and have the capability to create value for stakeholders in the long run.

Our approach to materiality assessment

Identification of material issues across each business vertical → Shortlisted list of material topics → Business-wise consultation → Final list of material topics of SRF

Given the dynamic ESG landscape and the new trends in the market, SRF Limited conducted a rigorous materiality assessment exercise in FY21 across all the three main businesses - Chemicals, Packaging Films and Technical Textiles, following globally recognised ESG frameworks, peer benchmarking and extensive stakeholder consultations. In FY23, SRF Limited revisited its material aspects to align itself with the global ESG requirements.

The final list of material topics for SRF Limited

Environmental

- Energy Management
- GHG Emission Reduction
- Air Emissions
- Water Conservation
- Waste Management
- Key Material Procurement and Management

Social

- Employment
- Occupational Health and Safety
- Community Relations and Engagement

Governance

- Corporate Governance
- Total Quality Management (TQM)
- Innovation & Research and Development

At SRF, we continue to measure the Company's progress against identified material aspects and take necessary actions wherever necessary, to improve the overall business outcomes and value for stakeholders.

BUILDING LONG-TERM RELATIONSHIP WITH STAKEHOLDERS

Our constant drive to safeguard the interests of stakeholders through robust engagement is instrumental in delivering value and sustainably enabling growth. We continuously engage with the stakeholders, including investors, employees, suppliers, regulators, communities, customers, and others. This helps us in understanding their concerns and needs, seek feedback, and find ways to meet their expectations through modifications in business strategy and plans. Our inclusive and transparent dialogue with stakeholders enhances the outlook towards the material issues and helps in identifying key improvement areas to mitigate evolving risks and challenges.

Inclusive Stakeholder Engagement Process

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

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

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

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

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

Key stakeholders of SRF Limited

- Employees
- Customers
- Regulatory Bodies
- Local Communities
- Investors/Shareholders
- Suppliers

Stakeholder Engagement

We ensure continuous dialogue with all our stakeholders. We believe regular interaction with stakeholders helps in the growth and development of all groups involved. We have mapped below the expectations, modes of communication, key topics discussed, with the stakeholders identified.

Stakeholder group	Key expectations	Modes of communication	Key Topics discussed	Key responsible groups
Regulatory bodies	• Compliance with applicable laws and regulations • Participation and contribution to various initiatives	• Adherence to reporting requirements • Industry representation on key matters	• Regulatory compliance • Operational efficiency • Development of communities • Management of environmental impact • Occupational Health and Safety • Emergency Preparedness • Air and GHG emissions • Biodiversity and resource conservation • Waste management	• Senior Management and relevant functions
Shareholders	• Business plans, growth feasibility and stability • Better quarterly reports/performance ratios • Corporate reputation • Transparent reporting • Prudent capital allocation • Corporate governance and risk management • Regular dividend pay-out	• Company website • Quarterly publication of results followed by earning call • Periodic Analysts' briefing and individual discussions between fund managers and the management team	• Financial Performance • Business Risk Management • Foray into new markets • Optimising operational costs • Corporate governance • Ethics and value • Energy efficiency • Renewable energy	• Chairman and Managing Director (CMD), Chief Financial Officer (CFO) and Investor Relations
Suppliers	• Fair and transparent dealing • Consistent business and economic growth • Joint exploration of potential opportunities • Maintain confidentiality of supplier data	• Supplier evaluation programme • Periodic meetings • Visits to supplier's facilities	• Pricing, quality and safety of raw materials • Issues related with human rights • Local employment • Materials	• Sourcing
Customers	• Reputed brand, high quality and reliable products • Product innovation and environmentally sustainable products • Timely market / product updates • Honour contractual terms and price • Timely resolution of customer complaints • Ethical Practices • Maintain confidentiality of customer data	• Customer visits / audit and meetings • Customer recognition/ awards programmes • Customer satisfaction surveys • Joint development & product reengineering	• Product innovation and lifecycle efficiency • Service quality • Resolution of Customer Complaints • Quality and Safety of Products • Pricing of Products • Branding	• Marketing • Technical services • Customer Relationship Management
Employees	• Safe and healthy work environment • Favourable work culture • Adherence to SRF's values • Fair and equal compensation • Learning and development opportunities • Fair, transparent, and regular rewards and recognition • Regular and constructive performance management and feedback • Career development opportunities • Appropriate grievance redressal mechanisms • Job security	• IT enablement & digitisation • Structured and focussed training programmes • Employee oriented work policies • Adequate grievance mechanism for reporting and redressal • Fair and transparent performance management systems and 360-degree feedback process • Periodic open house meetings with senior leadership teams • Regular employee engagement and feedback surveys	• Career growth prospects • Learning and development programs • Trainings • Rewards and Recognition • Occupational Health and Safety • Work environment and policies • Grievance redressal mechanism • Ethics and transparency • TQM • Emergency preparedness • Labour conditions	• Human Resources
Local Communities	• Local employment • Skill development and education • Local infrastructure development • Conservation of natural environment • Ensuring health and safety of nearby community	• Social impact assessment • Joint development and partnership with local agencies, network partners for servicing wider set of local communities • Local Infrastructure development, structured learning by digital classrooms training, providing scholarships, and other necessary support	• Social concerns in the region • Minimising negative environmental impact • Local employment	• SRF Foundation (Corporate Social Responsibility arm of SRF) • Plant-level CSR

RISK MANAGEMENT

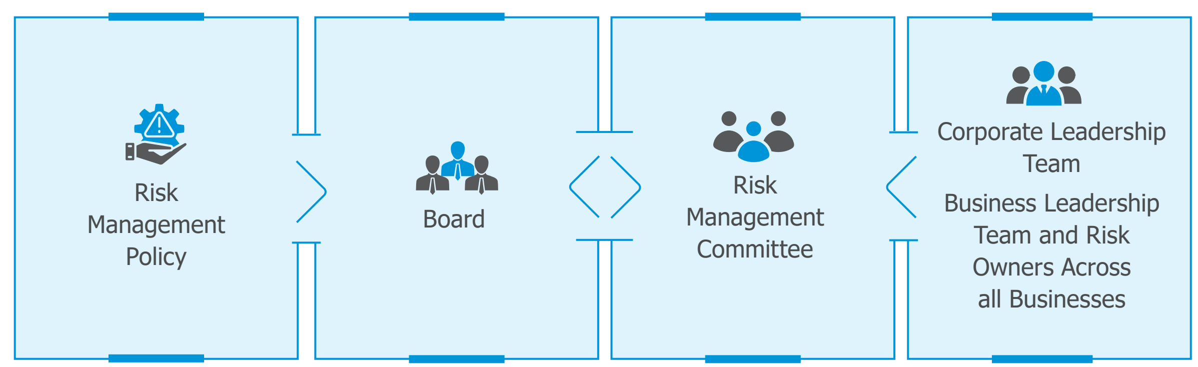
SRF Limited practices well-defined and established enterprise-level Risk Management Framework which is entrenched in the core business strategy and planning process of the organisation. This enhances its ability to manage risks and transform risks into opportunities as practically as possible. The Framework is governed by an overarching Risk Management Policy (approved by the Board) which clearly articulates the Company's approach for managing risks across the organisation. The Enterprise Risk Management Framework encapsulates key aspects of effective management of risks. This contributes to building a strong internal control system based on a proactive approach to risk management rather than a reactive one.

Risk Management Process

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

The Committee also aids the Audit Committee in analysing the efficacy of the Risk Management System and assists the Board in framing, implementing, monitoring, and revising the Risk Management Policy. The Committee is competent to identify, assess and manage both traditional and emerging business risks. It ensures that stakeholder interests are protected, business objectives are met, and long-term growth is enabled. Risk categorisation and prioritisation is done on a high, medium, and low category basis as defined by the Risk Management Framework. Further, Business Leadership Team and Risk Owners, report risks and mitigation plans to Corporate Leadership Team and subsequently to the Risk Management Committee for review. We also have a robust framework of Control Self-Assessment (CSA) which continuously verifies compliance with existing policies and procedures.

Enterprise-Level Risk Management Framework



Key risks identified at SRF	Mitigation strategies
Financial Risks	• Detailed policy guidelines to deal with key financial risks. • Robust processes & systems for ensuring timely reporting and compliance with applicable regulatory framework • Optimum cash flows through continuous new product development and innovation
Regulatory Risks	• Continuous monitoring of the changing regulations, impact assessment, implementation of statutory compliance, internal audit and external legal review (including ESG) • Liaisoning with regulatory bodies and industry associations to bring systemic changes for the benefit of industries
Operational Risks	• Implementation of safety and quality management systems, TQM-driven processes to eliminate operational risks and contribute to the Company's strategy for sustained operational success • Adoption and deployment of resource efficiency initiatives (across energy, water, etc.), ensuring reduction in loss time injuries • Development and retention of a skilled workforce that contributes to organisational goals by offering opportunities for learning and development, and career growth
IT and Cyber-Security Risks	• Implementation of new perimeter security mechanisms such as dual firewalls, internet content filtering, mobile device management for users with critical data leak risk, etc. • Training and awareness sessions on cybersecurity risks conducted for those in possession of Company's digital assets on regular basis • Ensuring adequate update and maintenance of servers and network devices for added security and data protection
Strategic Risks	• Long-term strategic planning and regular management reviews with business teams, Audit Committees and Board meetings • Strategic sourcing initiative ensuring uninterrupted supply of raw materials

Linkages with SDGs

We are a responsible business and our ESG practice defines the way we create and protect value for our stakeholders. We have integrated the Environmental, Social, and Governance (ESG) aspects throughout all our business operations to ensure that our processes, systems, procedures, and initiatives are all aligned with our Aspirations 2030.

Our Aspirations 2030	SDGs impacted
Operational excellence	8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production
Professional reputation and value system	3 Good Health and Well-Being; 4 Quality Education; 5 Gender Equality
Customer advocacy	8 Decent Work and Economic Growth; 13 Climate Action
Innovation and Technology Leadership	7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production
Environment & Social Responsibility	1 No Poverty; 2 Zero Hunger; 3 Good Health and Well-Being; 6 Clean Water and Sanitation; 10 Reduced Inequalities; 11 Sustainable Cities and Communities; 13 Climate Action; 15 Life on Land

Strategy

At SRF Limited, sustainability is deeply ingrained in our corporate values and is reflected in all aspects of our business functions and strategies. We are committed to safeguarding natural resources, prioritising employee health and safety, promoting responsible governance, and ensuring the well-being of local communities. To chart our path forward, we align our strategic focus areas with our Aspirations, which serve as a roadmap for our future endeavours. Our long-term value creation for all stakeholders is achieved through the adoption of ethical and principled business practices. At SRF, our Aspirations provide us with a clear set of guidelines for pursuing our strategic focus areas in a sustainable manner, with the aim of creating shared value over the long run.

Aspirations 2030

Operational Excellence	• Creating new and differentiated offerings that deliver superior customer value through innovations and improvements in quality, cost, efficiency, or environmental benefits, supported by digital technologies for efficiency and reliability. In addition, nurturing a capable workforce that continues to develop new solutions and provide advanced technical support • Implementation of various facets of the Total Quality Management (TQM) way to create new benchmarks across multiple dimensions of Quality, Cost, Delivery, Safety, Health & Environment and Morale (QCDSM)
Professional reputation and value system	• In line with the core values, SRF strives to attract, retain and nurture talent that demonstrates high levels of ethics and integrity while delivering high quality products to its customers, thereby enhancing the brand value and reputation of the Company
Customer advocacy	• Building a customer-focussed, agile and lean organisation, becoming a trusted, long-term partner of choice with the customers through innovative offerings and strong customer relationships
Innovation and Technology Leadership	• The Company constantly focusses on developing and investing in new technologies and developing new-age products to lead the way in serving the emerging needs of customers and deliver value over the long run • SRF's focus on adequate allocation of resources to effectively implement systems and initiatives is helping in creating sustainable value on an ongoing basis. The Company will continue to focus on the key strategic areas that have contributed to driving improvements across the ESG material aspects
Environment & Social Responsibility	Our Environment and Social Responsibility focus on four main aspects: • We will benefit the communities where we work • We will embrace diversity, equality and inclusion in our workforce • We will enhance our focus on the 3R's - Recycle, Reuse and Reduce • We will transition from traditional energy to renewable energy in the future

Risks	Material aspects	Strategic focus areas	Progress in FY23	Aspirations 2030
Operational	Energy Management GHG emission reduction Air emissions Water conservation Waste Management Key material procurement and management	• Focus on implementing cutting-edge technology and energy efficiency initiatives to achieve energy savings • Transition to cleaner energy sources to help reduce carbon emissions • Drive efforts towards reducing water consumption with water-efficient technologies, recycling and reusing wastewater and sequestering rainwater to the maximum extent possible • Emphasis on the principle of 3R – Reduce, Reuse and Recycle and strive to operate in a 'closed-loop' through circularity in operations • Continuous efforts on local sourcing of raw materials and increasing the use of recycled materials in production	• Implemented energy efficiency initiatives, leading to energy savings of 10,683 MWh • 1,201 TJ of energy consumed from renewables and biomass • 17.1 Lakh KL of water consumption met through recycled wastewater • 29 Lakh KL rainwater harvested • Following 3R principle - recycled materials used as raw materials in production • Utilisation of onsite generation of fly ash as raw material in cement industries • 71% raw material sourced sustainably	Operational Excellence
Financial	Employment Occupational health and safety Community relations and engagement	• Concerted efforts on creating a favourable environment for employees to nurture and grow through structured learning and development, career advancement, and rewards and recognition programme to keep employees motivated and engaged • Build a workplace that thrives on diversity and inclusion, and supports human rights • Endeavour to create a safe and secure work environment by embedding health and safety in the company culture and implementing robust systems to ensure well-being of each employee • Relentless efforts to empower local communities through community initiatives focussing on vocational skills, education, natural resource management, among others	• 176,156 training manhours • Increase in female workforce across the management levels by more than 16% compared to FY23 • More than 91% employee engagement score • 61% reduction in LTIFR • 3.5 lakh+ beneficiaries of CSR initiatives in local communities • 24 no. of CSR projects	Professional Reputation and Value System
IT & Cyber-Security Strategic	Total Quality Management (TQM) Innovation & Research and Development	• Emphasis on capitalising new opportunities, expand product portfolio considering the evolving customer expectations and enhancing market presence • Implement differentiated business strategies, prudent capital allocation, optimum utilisation of natural resources to lower operating costs, automate processes and strengthen business processes that aid in building a sustainable business model • Deliver long-term sustainable returns to shareholders and higher dividend pay-out • Implementation of Total Quality Management (TQM) for meeting evolving customer aspirations and shifting market dynamics by bringing systemic changes to maximise plant efficiency and deliver diverse solutions	• TQM led supply chain improvements, enhancement of internal process efficiency and building a skilled workforce • Developed innovative products that are socially and environmentally responsible and have zero ozone depleting substances, low global warming potential (GWP), recyclability and low carbon footprint • 18 process patents granted • Earnings per share ₹ 72.95	Customer Advocacy Innovation and Technology Leadership
Regulatory	Corporate Governance	• Focus on creating an eco-system which promotes effective decision-making, accountability and financial prudence • Encourages an ethics-driven culture of accountability and responsibility for all activities with the integration of sustainability into its decision-making processes to create value • Constant identification, assessment, monitoring and mitigation of risks to achieve business objectives • Focus on robust internal control system and proactive response strategy towards identified risks	• No fines levied or non-compliance with respect to environmental and social aspects • Continued to collaborate with industry associations to benefit the industry and society at large • Continued to identify and manage existing as well as emerging risks through the robust risk management framework, integrated with the company strategy and planning	Environment and Social Responsibility

VALUE CREATION MODEL

DRIVING BUSINESS WITH VALUES

RESOURCE CAPITAL | INPUTS

Economic

Financial Capital
- Operating Cost: ₹ 11,103 Cr.
- Total Debt: ₹ 3,379.29 Cr.

Manufactured Capital
- Capex: ₹ 2,815.78 Cr.
- Plant automation and backward integration of value chain
- Efficient production processes

Intellectual Capital
- 400+ R&D experts
- ₹ 129.31 Cr. of R&D spend
- Process Patents filed - 406
- 2 state-of-the-art R&D facilities
- Innovative product solution

Social

Human Capital
- Our Workforce: 7,171
- Training Hours: 176,156
- Structured Learning & Development

Social Capital
- ₹ 28.63 Cr. of CSR spends
- 24 CSR projects

Environmental

Natural Capital
- Total energy consumed: 12,912 TJ
- Water withdrawal – 5,359,141 KL
- Environment and Social Responsibility as one of our Aspirations 2030

VALUE CREATION APPROACH

Our values

Respect | Integrity | Non-discrimination | Excellence | Well-being

KEY ENABLERS

- Differentiated Business Strategy
- Customer Centricity
- Operational Excellence
- Digitisation & Innovation
- Stakeholder Engagement
- Corporate Governance

Our Aspirations 2030
- Operational Excellence
- Professional Reputation and Value System
- Customer Advocacy
- Innovation and Technology Leadership
- Environment & Social Responsibility

OUTPUT | LONG-TERM VALUE CREATION

OUTPUT	LONG-TERM VALUE CREATION
• Net Debt-Equity: 0.33 • Revenue: ₹ 14,870 Cr. • Earnings per share ₹ 72.95 • Two interim dividends payouts	• Reaffirmed CRISIL AA+ /Stable/ CRISIL A1+ ratings • Sustainable cash flow and strong liquidity position aiding robust balance sheet position
• Sales volume expansion • Export to 86+ Countries • SRF is the only fully Backward integrated manufacturer of ozone-friendly refrigerant gases	• Strong Leadership position in key segments • Diverse product portfolio with multi-location facilities designed to service large customers • Efficient manufacturing process driven through TQM principles • Optimum manufacturing capacity
• No. of process patents granted during the year - 18 • Total patents granted - 132 • Commercialisation of new products	• Robust product pipeline with continuous development • Re-engineering of products in collaboration with customers • Ability to handle complex chemistries with deep domain expertise
• 61% reduction in LTIFR • Employee Engagement Survey Score – 91%	• Attraction & retention • Safe working environment • Productive workforce • High employee engagement & satisfaction levels
• Total number of beneficiaries of CSR initiative – 3.5 lakh+ • New suppliers added during the year • Stakeholder recognition and satisfaction	• Upliftment of the society through community development projects • Ensuring responsible business through respect for all stakeholders • Robust supply chain
• Energy savings – 10,683 MWh • 1,201 TJ of renewable energy consumed • Increase in water recycled 8.30% • Efficient use of natural resources and reduced consumption • Biodiversity preservation	• Mitigating impact of climate change • Reduction of environmental footprint • Demonstrating responsible corporate citizenship • Increase in RE mix

Capital-wise Performance

This report showcases our performance across the Six Capitals of the Integrated Reporting framework: Financial Capital, Manufactured Capital, Intellectual Capital, Human Capital, Natural Capital, and Social & Relationship Capital. Achieving sustainability in business requires a clear understanding of the trade-offs between the different capitals to maximise positive outcomes while minimising or eliminating negative impacts. For us, striking a balance between these competing tendencies is an ongoing endeavour, and we strive to achieve it to the best of our ability.

The Six Capitals

Financial Capital

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

Manufactured Capital

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

Intellectual Capital

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

Human Capital

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

Natural Capital

- Natural capital inputs such as raw materials, water, fuel and renewable energy, etc., critical to operate efficiently

Social & Relationship Capital

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

FINANCIAL CAPITAL

SRF Limited believes in the long-term growth through balanced and cost-effective debt & equity mix deployed for sustaining and creating value across all capitals. We have a strong mechanism in place to monitor our cash flows and liquidity position, which enables us to identify opportunities for business growth and rationalise costs across all departments. We ensure that an appropriate level of capital for growth projects is allocated along with optimum liquidity for supporting and protecting our business operations under different economic scenarios.

Material issues addressed

Corporate Governance

Innovation, Research & Development

Inputs

₹ 11,103 Cr.
Operating Cost

₹ 3,379.29 Cr.
Net Debt

Outputs

₹ 14,870 Cr.
Revenue

₹ 3,708 Cr.
EBIDTA

₹ 72.95
EPS

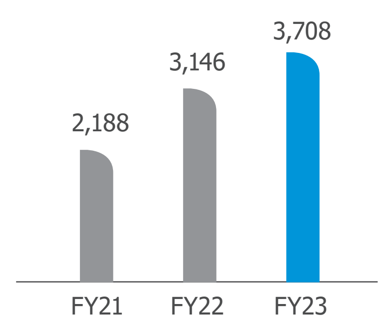
Expansion Plans

SRF Limited has established internal policies for governing CAPEX proposals and investment rules, that promote sound capital allocation. Our consistent business growth coupled with strong market insights have paved the way for our expansion. This year we have incurred ~₹ 2,815.78 crore mainly in our Chemical Business for setting up new plants in the agrochemical, capacity enhancement of an existing plant and setting up a range of Specialty Fluoropolymers. These projects are a part of our overall expansion strategy in the Chemicals Business and achieve our future growth aspirations.

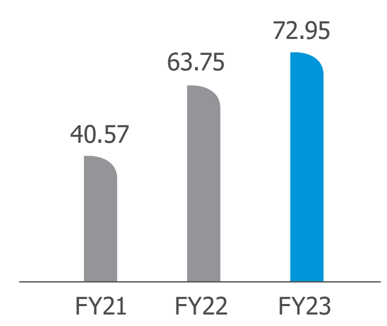
Performance

In FY23, we recorded a total turnover of ₹ 14,592 crore which is 17% more than the previous year owing to strong demand mainly from the chemical business. Our PAT increased by 14.5% to ₹ 2,162.34 crore in FY23. The Company's EBIDTA increased by 17.8% from the previous year resulting in a strong Balance Sheet.

EBIDTA in ₹ Crore



Earnings per share



Our objective is to provide a favourable long-term return on investment. Our EPS has been ₹ 72.95 and we disbursed two interim dividends of ₹ 3.6 per share each in the financial year.

CRISIL Ratings has reaffirmed its 'CRISIL AA+ /Stable/CRISIL A1+' ratings on the bank facilities and debt instruments of SRF Limited. These ratings continue to reflect a strong business profile driven by market leadership, diversified revenue, high operating efficiency, and a healthy financial profile.

Impact of financial capital on other capitals

- **Manufactured Capital:** Facilitates expansions and augment existing capacities
- **Intellectual Capital:** Induction of latest technologies, new product development across business
- **Human Capital:** Investment in learning and development, attracting and retaining top talent
- **Natural Capital:** Investment in clean energy, conservation of natural resources
- **Social & Relationship Capital:** Local area development and employment

MANUFACTURED CAPITAL

We have been strengthening our operations through a combination of process efficiency and expansion. Our strategies and plans of action are guided by our motto —'We always find a better way' – which is reflected in the high-quality products that we deliver to our customers.

Material issues addressed

- Innovation, Research & Development
- Total Quality Management
- Employment
- Occupational Health & Safety
- Key Material Procurement and Management

Inputs

₹ 2,815.78 Cr.
Capex

10
Manufacturing facilities

Outputs

Higher sales volume

86+
Countries we export to

We employ cutting-edge facilities and highly effective production methods to manufacture dependable and high-quality goods. Through our extensive product range, we aim to provide a diverse range of superior products with elements of sustainability and value accretive for our customers. We have attained economies of scale through backward integration in our chemical business and remain steadfast in our commitment to deliver excellent products through our R&D efforts, which has earned us enduring customer relationships.

Guided by strong demand, we have been able to utilise optimum capacity for the Chemical Business. However, Packaging Films Business and Technical Textiles Business witnessed headwinds owing to the difficult market situation.

Ensuring robust manufacturing, some of our initiatives are:

- Quality, Cost, Delivery & Safety
- Quality Circles
- PSP Certification
- Failure, Modes and Affect Analysis

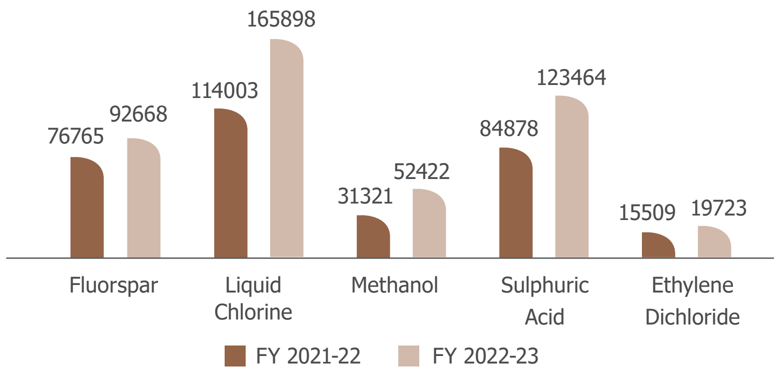
Raw Material Efficiency

Our efforts are focussed on optimising the use of resources, including sustainable sourcing of raw materials. At SRF, we are committed to increasing the usage and proportion of recycled input materials in our manufacturing processes through product reengineering and innovation. In addition to reducing our environmental impact, this approach also minimises waste generated at the source by promoting the reuse of input materials.

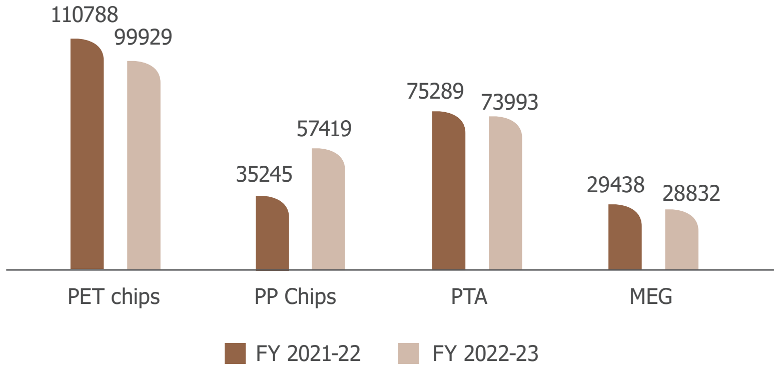
Record sales achieved for Dymel® HFA 134a/P, with an expanded geographical footprint across 20+ countries

SRF Limited continues to focus on creating a strong indigenous supply chain network for the procurement of locally sourced raw materials to promote local businesses and mitigate the associated environmental impact.

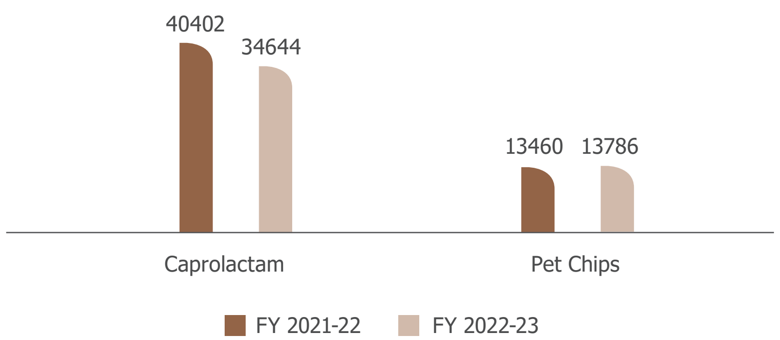
Major raw material used in Chemicals Business (in MT)



Major raw material used in Packaging Films Business (in MT)



Major raw material used in Technical Textiles Business (in MT)



Impact of manufactured capital on other capitals

- **Financial Capital:** Revenue generation and higher turnover
- **Intellectual Capital:** Asset optimisation and better operational efficiency
- **Human Capital:** Digital ready and trained workforce, optimum productivity levels
- **Natural Capital:** Efficient utilisation of natural resources utilised during production
- **Social & Relationship Capital:** Collaborations for better solutions for the market

INTELLECTUAL CAPITAL

Innovation, research and development is an important part of our Chemicals Business. This is embedded as part of our Aspirations 2030 – i.e. under Innovation & Technology Leadership. In line with our aspirations, the ingenious team of scientists and engineers across our R&D centres in Bhiwadi and Gurugram work tirelessly to ensure our R&D investments and programs are directed towards the requirements of the market and the customers.

Material issues addressed

Innovation, Research & Development | Total Quality Management | Employment

Inputs

42
Patents applied in FY23

₹ 129.31 Cr.
R&D spent

400+
R&D workforce

Outputs

18
Patents granted in FY23

Multiple New products launched

Chemicals Technology Group (CTG)

CTG at SRF is actively engaged in the development of new products and process technologies for the Specialty Chemicals and Fluorochemicals businesses. The Group's key focus is the development of intermediates for new Active Ingredients (AI) in pharmaceuticals, agrochemical industries as well as new generation refrigerants. With a 400+ workforce, CTG serves as the catalyst in improving SRF's capabilities of process development, scale-up, and commercialisation of new chemistries in our chosen areas of operation.

Collaborating with Customers

Our R&D team along with business development teams often collaborate with our customers for joint product and process development. These have proven to be successful models for customer-driven product development, further enhancing a spirit of collaboration and partnership between us and our customers.

New Product & Process Development

- **Chemicals Business:** Launch of products catering to Agrochemical and Pharma sectors
- **Packaging Films Business:** Multiple BOPET and BOPP products commercialised during the year
- **Technical Textiles Business:** Developing value-added products

Continuous Efforts Towards Digitalisation

To propel enterprise transformation, the Company has invested in cutting-edge and scalable digital platforms that emphasise process digitisation, digital workflows, analytics, automation, and cloud product suites. Consequently, strategic decision-making has been expedited, and the Company's IT landscape is based on the latest technology.

Impact of Intellectual Capital on other capitals

- **Manufactured Capital:** Efficient capacity utilisation, new product development across businesses
- **Financial Capital:** Higher profits earned on account of new and better products
- **Human Capital:** Specialised talent enhancing Company's research & development capabilities
- **Natural Capital:** Operational efficiencies leading to the lower input of natural resources
- **Social & Relationship Capital:** Collaborations with customers on product reengineering

HUMAN CAPITAL

SRF Limited acknowledges the significance of proficient and capable human resources in driving a company towards success. Human capital is both valuable and crucial for our business operations and creation of long-term value for its stakeholders. It is our constant endeavour to evolve as a relationship-based Company that recognises and nurtures the unique capabilities of its employees. By offering an environment that supports professional growth, we aim to promote diversity and inclusivity within our organisation.

Material issues addressed

Occupational Health & Safety

Employment

Inputs	Outputs
7,171 Permanent employees	**61%** Reduction in LTIFR
Skill development	**16%** Increase of women in management roles
~1.6 LAKH Training hours	

SRF Limited is committed to creating a safe and healthy work environment that helps increase productivity and enhance employee happiness. Our people-centric policies, established by the human resource team, help us in ensuring and engaging a participatory workplace.

Our Values

Respect
We believe in building and nurturing relationships with all our stakeholders, by treating them with respect and dignity

Integrity
We stand by our commitments and do not compromise on our ethical and moral standards

Non-Discrimination
We do not discriminate on account of gender, caste, religion, creed, region, language, physical disabilities, etc.

Well-being
We believe that happy employees are key to organisational success

Excellence
We use the SRF Management Way to pursue excellence in all that we do

Employee Engagement

Maintaining a high level of employee engagement is the cornerstone of SRF's human resource management philosophy. The Company regularly organises employee engagement activities to foster strong relationships with its employees. SRF has adopted a systematic approach to assess employee satisfaction levels through an annual Employee Engagement Survey, which is crucial in identifying critical areas for improvement, key issues or concerns, and recommendations for future action plans. According to the survey, overall employee engagement score was 91%. The Company also conducts external surveys, such as the Gallup Survey and the eNPS, which offer anonymous feedback options to employees. Open houses and discussions with senior management are held regularly to gather feedback from employees, which helps in improving the employee's overall well-being.

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

S. No.	Total employees by category	FY 2021-22		FY 2022-23	
		Male	**Female**	**Male**	**Female**
1	Senior Management	67	3	70	4
2	Middle Management	194	17	200	19
3	Junior Management	652	89	663	104
4	Non-Management Staff	5,498	154	5,887	224
5	Temporary/Contractual Workers	7,068	360	6,666	289
6	Others	4	1	102	27

Training and Development

SRF Limited firmly believes that the growth and development of its employees are directly linked to the growth of the organisation. In line with this philosophy, we offer on-the-job learning modules and training programmes to all employees, providing them with opportunities to develop and enhance their skills and competencies.

To keep pace with changing organisational needs and boost employee morale, we have established a well-managed Training and Development process, which includes regular training programmes and modules divided into three categories: Technical, Behavioural, and Functional. Our process identifies individual training needs and creates an annual training calendar for all employees, and we also offer customised training programmes to achieve the desired outcomes. Keeping pace with new requirements imposed by the changing environment, our focus on development has shifted from being reactive to proactive.

For the year ahead, we will add focus on building "Agility", "Resilience", and "Change Management" apart from the list of other core competencies.

At SRF, we believe in instilling a culture of safety in the workplace. We conduct regular safety and self-defence trainings, fitness classes, and employee assistance programmes as part of our well-being initiatives.

S. No.	Total training hours for permanent and contractual employees	FY 2021-22		FY 2022-23	
		Male	**Female**	**Male**	**Female**
1	Senior Management	1,619	112	312	1
2	Middle Management	22,286	537	3,682	158
3	Junior Management	39,669	4,309	24,368	2,012
4	Non-Management Staff	72,731	2,029	1,27,007	1,852
5	Temporary/ Contractual Workers	16,767	1,723	15,336	1,428

Skill Evaluation System

Our skill evaluation system enables us to evaluate and improve the skill level of our employees. The skill level measurement is based on 3 core parameters: Assignment, Observation, and Interview, with each having different weights. As a practice, we annually evaluate a majority of our employees on their skill sets over a range of technical parameters including but not limited to the following:

- Job-specific competencies
  - Environment, Health and Safety
  - Chemicals and Energy
  - Emergency response plan
- Skill-specific competencies
  - Soft skills
  - Logical reasoning
  - Aptitude

Diversity and Inclusion

SRF Limited is actively working towards fostering an empowering environment that embraces diversity and inclusion. The Company is deeply committed to promoting a workplace that is free from any form of harassment or discrimination, basis factors such as gender identity, age, ethnicity, sexual orientation, disability, faith, or marital status. As part of this commitment, SRF has adopted the Women's Empowerment Principles, joining forces with 3,000 other organisations worldwide in partnership with UN Women to drive gender equality. These principles emphasise the business case for corporate action to promote gender equality and women's empowerment. SRF is an equal opportunity employer that places a premium on maintaining a gender-balanced workforce. The Company focusses on sensitising all employees, especially leaders, to continuously challenge hidden biases and provide policies that support and encourage people from diverse backgrounds.

Human Rights

SRF Limited has a history of safeguarding and preserving human rights, and opposes all forms of discrimination and human rights abuses. The Company has a zero-tolerance approach towards human rights violations. Developing and maintaining an ethical culture that places the highest priority on human rights necessitates strong leadership commitment. SRF's Human Rights Policy covers the following aspects:

- Protection against forced and/or child labour
- Providing equal opportunity
- Commitment towards compliance and adherence to all applicable laws pertaining to human rights
- Protection against sexual harassment in the workplace
- Providing a healthy and safe work environment
- Encourage the formation of various committees that have representation from the workforce and make suggestions on measures to improve working conditions in the Company
- Committed to ensuring continuous upgradation of the skills and competence of employees
- Well-being of employees
- Reporting human rights violations

The Code of Conduct and the Whistle-blower policies are the pillars of the Human Rights policy in the organisation. SRF strictly adheres to the protection of human rights with its suppliers and contractors and does not employ individuals under the age of eighteen. The use of forced or compulsory labour is also prohibited across all units and discouraged with business associates and partners such as suppliers and contractors.

SRF provides a healthy work environment and offers equal growth opportunities to all its employees. The Company's leave

policy includes provisions for maternity and paternity leaves for all employees. Equal opportunities are provided to those who re-join after availing of parental leave. Detailed break-up of parental leave entitlement and usage of these by employees in the last three years is highlighted below:

Parameter	FY 2021-22	FY 2022-23
Number of employees entitled to parental leaves during the reporting period	6,674	7,171
Number of employees who took parental leaves during the reporting period	436	463
Number of employees who re-joined back after parental leaves during the reporting period	432	462

Performance Management and Feedback

Performance development reviews and feedback are critical pillars that shape the growth trajectory of employees in an organisation. SRF Limited has adopted a robust performance review and career development system to sustain a fair and transparent culture. All employees, at all levels, are evaluated, and assessment reports and KPIs are created accordingly.

To maintain an open and transparent work culture, managers are encouraged to use 360-degree feedback mechanisms to receive regular feedback and adjust their working style accordingly. SRF's compensation philosophy ensures the promotion of meritocracy and rewards that are in line with a role's market value. The Company maintains a high percentile position in the talent marketplace, particularly for critical roles and resources. All roles are evaluated using a reliable methodology, and grade structures are implemented every 2-3 years to remain aligned with the market.

Sr. No.	Number of employees that received a performance development and career review	FY 2021-22 Employee Performance Review		FY 2022-23 Employee Performance Review	
		Male	Female	Male	Female
1	Senior Management	67	3	70	4
2	Middle Management	194	17	200	19
3	Junior Management	652	89	663	104

Rewards and Recognition

SRF Limited has put in place a Rewards and Recognition program that is solely based on merit and serves to encourage and retain a diverse and talented workforce. The program offers various forms of recognition, including monetary and non-monetary rewards, informal day-to-day acknowledgements, as well as semi-formal and non-monetary recognition.

Formal Award

Special Achievement Awards
Significant Contribution Award
Protsahan Awards

Semi-formal & Non-monetary

Happy Hours
Appreciation Cards
Work Anniversary
Team Celebration

Informal/Day to Day Award

Verbal and Written appreciation
Team appreciation

Monetary Award

Significant Contribution Award
Special Achievement Awards
Long Service Award
Spot Awards

Online Rewards and Recognition

With a view to place a higher focus on reward and recognition, SRF Limited has named its Rewards & Recognition policy - PRAISE. This policy offers several modes of recognition, both formal and informal, that are available to our managers who are empowered to recognise. Some of these avenues include spot awards, special achievement or significant contribution awards, birthday vouchers, well done, thank you, and nice idea cards, along with the annual "Protsahan" awards. In addition, local HRs organise in-person or group recognition events regularly to ensure that awardees receive public appreciation.

Grievance Redressal Mechanisms

SRF Limited acknowledges the importance of grievance redressal systems and leverages them to enhance stakeholder relationships and facilitate smooth business operations. The Company has established structured grievance procedures that enable effective policy implementation, safeguarding of human rights, and promoting sustainable practices. SRF provides multiple channels for employees to voice their feedback and suggestions, fostering an inclusive work culture throughout the organisation

For this purpose, 'People Redbook Systems' has been put in place at various locations. This grievance-handling systems serves as a platform for employees to voice their grievances. Employees and workers are provided with complaint and suggestion boxes in offices and plants where they can anonymously submit their grievances. The grievance procedures are clearly outlined and follow a fair and independent resolution process while maintaining confidentiality.

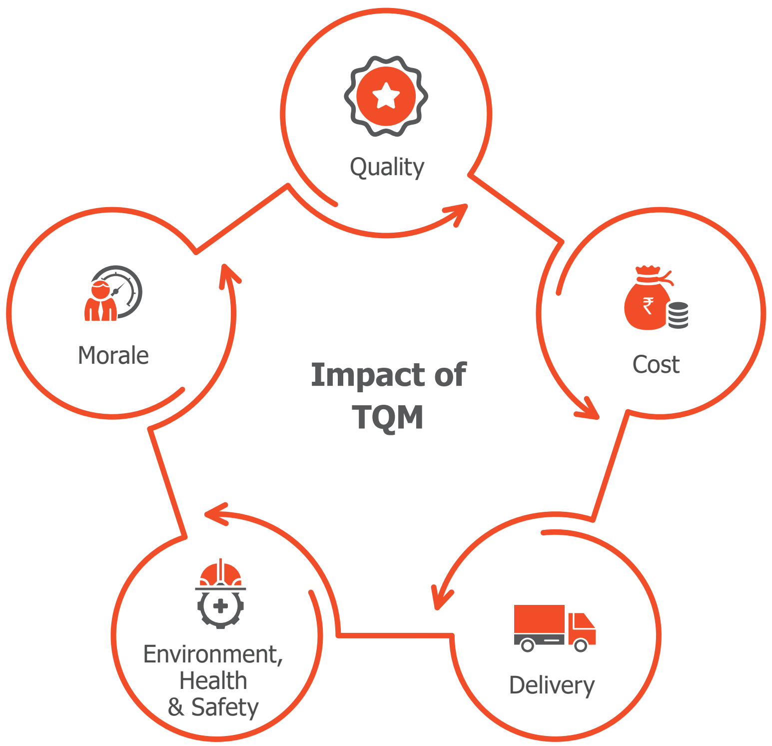
Labour Relations

SRF Limited believes in creating a culture of open communication to build a strong and healthy relationship with its workers. The Company has implemented rigorous systems such as SA 8000 across several plants, which monitor and ensure the well-being of workers and maintain a safe and productive work environment. Additionally, SRF has established various committees comprised of representatives from both management and workers, providing a platform for transparent communication. These committees include employee associations, canteen committees, health and safety committees, among others, and greatly contribute to the satisfaction and well-being of workers. Management recognises these associations and encourages interaction and issue resolution between management and employees. Currently, employee associations have around 11% of employees/workers as members.

Total Quality Management (TQM)

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

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



SRF Limited recognises the need to continually improve its processes to stay competitive in the market. The Company has adopted a structured approach to Kaizen implementation that involves identifying areas for improvement, analysing the root cause of the problem, implementing solutions, and monitoring and measuring the results.

Occupational Health and Safety

SRF Limited firmly believes that ensuring a safe and healthy working environment for its workforce is a fundamental aspect of conducting business. The Company takes responsibility for educating its employees on safety practices, training them to deal with adverse events, and preventing such incidents. This is accomplished through regular safety training and mock drills. SRF aims for zero incidents of injury, fatality, or accidents across all its plants and manufacturing units. The Company handles, stores, and distributes its products in an environmentally conscious manner, deploying emergency response plans, safety procedures, and processes to create a healthy and safe workplace. EHS committees have been formed across plants to inculcate a safety-oriented culture across the organisation. This helps in proactively identifying and avoiding safety incidents, with systems in place to monitor and address issues at an early stage and take pre-emptive measures. SRF conducts health and safety training for the entire workforce, focussing on behavioural change at the shop floor level through continuous training, awareness programmes, and proactive identification of unsafe situations in the following areas: -

- First Aid
- Hazard Identification and Risk Assessment (HIRA)
- Process Safety Management
- Emergency Preparedness & Response Training
- Lock Out Tag Out (LOTO)
- Work Permit Systems
- Personal Protective Equipment (PPE)
- Occupational Health Management

Safety training is being conducted in three different categories at different sites:

- Employees – induction training, refresher training for topics like risk assessments, work permit system, emergency response, PPE management, and BBS. Special training like – defensive driving, HAZOP, process safety, accident investigation, safety maturity, fire-fighting, first aid, etc.
- Workers – induction training, chemical handling, Do's & Don'ts, PPE management, emergency response, working at height, scaffolding, fire-fighting, etc.
- Others – visitor's induction, truck/tanker/bus/forklift drivers' training, etc.

Injuries	FY 2021-22	FY 2022-23
Lost Time Injuries (per million man-hours worked)	0.41	0.16
First Aid Injuries (nos.)	133	180
Million man-hours worked	26.75	30.57

Impact of Human Capital on other capitals

- **Financial Capital:** Higher earnings per employee ratio on account of better employee productivity, cost optimisation
- **Intellectual Capital:** Retain the best talent to drive research and innovation at SRF
- **Natural Capital:** Training and sensitisation of the workforce to ensure the best utilisation of natural resources in SRF
- **Manufactured Capital:** Higher productivity, product, and process management
- **Social & Relationship Capital:** Ensuring robust relations with all stakeholders

NATURAL CAPITAL

Environment and Social Responsibility is one of our Aspirations for 2030. In line with our aspirations, SRF considers environmental stewardship a key responsibility, and we are constantly working towards reducing our ecological footprint. Our objective is to manage the impact of our operations by responsibly managing materials, energy, emissions, water, and waste.

Material issues addressed

- Energy Management
- GHG Emission Reduction
- Air Emissions
- Water Conservation
- Waste Management

Inputs

12,912 TJ
of energy consumed

~46 LAKH
KL of water consumed

Outputs

1,201 TJ
of green energy and biomass consumption

17 LAKH
KL of water recycled

Our approach to managing natural capital is based on our strategies for enhanced procurement of green energy, efficient utilisation of freshwater consumption, pollution control, and proper waste management.

SRF adheres to all relevant environmental regulations and conducts periodic assessment of environment, health and safety parameters across our various businesses to demonstrate our dedication to environmental protection. Our plants are ISO 14001 certified reinforcing the commitment as mentioned in the Company's Environment, Health & Safety Policy.

Energy Management

Being cognisant of the risks associated with climate change and the heavy cost of global warming, we have initiated efforts towards transitioning to an energy efficient and clean energy future. We have been taking action to decarbonise our business by implementing various energy and emissions reduction initiatives and enhancing the use of renewable energy in our operations.

In FY23, our renewable energy and biomass consumption accounts for 1,201 TJ. We are driving efforts to increase the share of renewable power in our electricity mix by implementing solar power generation projects and entering into power purchase agreements with third-party agencies.

Our total energy savings in FY 2022-23 are tabulated business-wise:

6,242 MWh	954 MWh	3,487 MWh
Chemicals	Packaging Films	Technical Textiles

Refer to Principle 6, Essential Indicator 1 for more details

GHG Emissions

SRF's Fluorochemicals Business is the first Indian chemical Company to obtain the ISO 14064-1: 2006 certification for verification of our greenhouse gas emissions. We have calculated our Greenhouse Gas (GHG) emissions, i.e., Scope 1 i.e. emissions from burning of fossil fuels by the Company, and Scope 2 i.e. emissions from purchased electricity emissions data in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

Refer to Principle 6, Essential Indicator 6 for more details

Air Emissions

We recognise the significance of measuring and supervising the emission of air pollutants resulting from our activities. We not only adhere to the regulations set by the Pollution Control Boards in the states where we operate but our top priority is always to maintain the air quality within and around our facilities. We have established automated monitoring mechanisms to ensure that our air emissions are under control during the manufacturing processes, and we regularly conduct stack monitoring for utilities such as boilers and diesel generators.

Refer to Principle 6, Essential Indicator 5 for more details

Water Conservation

At our operations, we strive to continuously improve our efforts to minimise water consumption. This is achieved through the adoption of various water-efficient technologies, the recycling and reuse of treated wastewater in processes and the practice of rainwater harvesting. Additionally, we are in the process of implementing a seawater desalination project in partnership with local authorities which will further reduce our dependency on freshwater resources.

Our plants are equipped with wastewater purification systems to ensure that the quality of wastewater released is within the permissible limits set by the respective Pollution Control Boards. In addition, the Company re-uses treated wastewater for humidification and the development of green-belt areas. The quality of the treated wastewater is monitored through third-party agencies before being discharged into garden areas.

We have continued to focus on rainwater harvesting for groundwater recharge as well as utilisation within the plants.

Refer to Principle 6, Essential Indicator 3 for more details

Waste Management

We are committed to responsible waste management and strive to integrate waste reduction, resource efficiency, and safe disposal practices into our business operations.

We collaborate with authorised vendors for the safe and responsible disposal of our waste, ensuring that all regulatory requirements are met. We maintain comprehensive records of waste generation, disposal, and treatment, and conduct regular internal audits to ensure compliance with waste management regulations.

Refer to Principle 6, Essential Indicator 8 for more details

Care for Biodiversity

As a responsible organisation, we recognise the importance of preserving biodiversity in the areas surrounding our business units and we are committed to taking measures to achieve this objective. We have implemented several initiatives, including collaborating with schools in and around our units as a part of our CSR programs.

We also recognise the importance of raising awareness about biodiversity conservation among our stakeholders. We engage with local communities, schools, and NGOs to promote environmental education and awareness. We encourage our employees to participate in biodiversity conservation activities, such as tree plantation drives and awareness campaigns.

Impact of Natural Capital on other capitals

- **Financial Capital:** Working towards sustainable and inclusive growth
- **Intellectual Capital:** Asset optimisation and operational efficiency
- **Human Capital:** Safe work environment across
- **Manufactured Capital:** Manufacturing of sustainable products
- **Social & Relationship Capital:** Community acceptance and alignment with stakeholders' objectives

SOCIAL AND RELATIONSHIP CAPITAL

At SRF, we believe that it is essential for companies to have a purpose, more engaging than profits, and that purpose should be intrinsic to the fabric of the organisation. Building on this belief, SRF Foundation formerly known as the Society for Education and Welfare Development was set up in the year 1982 as the Corporate Social Responsibility (CSR) arm of SRF Limited.

Material issues addressed

Community Relations and Engagement | Employment | Water Conservation

Inputs	Outputs
₹ 28.63 Cr. spent in community projects regular engagement with suppliers	3.5 Lakh+ CSR beneficiaries
	71% raw material sourced sustainably

SRF Foundation is working to bring a smile to the faces of some of the most vulnerable members of society through high-impact interventions in Education, Vocational Skills & Livelihood, Health, Environment and Art & Culture etc.

CSR Thrust Areas

SRF Foundation champions the cause of quality education in India. The core thrust areas of the foundation are listed below:

a) Promotion of Health Care
b) Promotion of Quality Education & Vocational Skills
c) Ensure Environmental Sustainability
d) Promotion of Art and Culture
e) Promotion of Sports
f) Disaster Management

Education

Our initiatives around education are resolute in scope, extensive in reach, and yet mere small steps within the context of the needs of our country, given its size and diversity. Through our various education programs, in partnership with like-minded organisations, academia and the Government, we have reached twenty-four locations in twelve Indian States. Today, most of our intervention schools are transformed into model schools through our physical, digital, academic and leadership transformations thereby enhancing the learning experience of students and aiding in their holistic development.

We empower our employees to get involved in their local communities and coordinate volunteer activities at schools in the vicinity of our operation.

PAHAL - Our Employee Volunteering Initiative

Our education programmes are:

- Rural Education programme
- Anganwadi Development programme
- Enhancing Early Education
- The Shri Ram Schools
- SRF Vidyalayas

Presently, we have reached 465 Government schools across 24 locations in 12 states directly and indirectly by collaborating with like-minded partners, providing quality education to over 1,78,702 students, and training 3,397 teachers and 465 headmasters.

Apart from school education, this year, the SRF Foundation initiated the 'Anganwadi Development Program,' aimed at improving the quality of Early Childhood Care and Education in line with the National Education Policy (NEP) 2020, which had a direct impact on 10,905 children from 308 Anganwadis across 7 locations.

Vocational Skills & Livelihood

In line with Government's initiatives such as Skill India and Make in India, we are working towards evolving our youth as employable and contributing citizens. Through our partnership with other organisations in vocational skill development, we have expanded the scope of our flagship programs to train more-and-more people, especially school dropouts, unemployed youth, and women and integrate them into the mainstream workforce by equipping them with appropriate skills to meet the demands of the supply chain. Our programmes include:

I. Basic Electrician Training programme

II. Digital Literacy Mission

III. Spoken English programme

IV. Livelihood Skills programme

V. Basic Computer Training programme

VI. Digital Skills training for ITIs and Polytechnics

For FY23, we've reached around 14,279 lives including unemployed youth, school dropouts and women from around 20 locations pan India.

Environmental Sustainability

SRF Foundation's projects in Natural Resource Management (NRM) aim at the livelihood promotion, ecological conservation and improvement in the socio-economic condition of poor and marginalised families living in the thirty-five villages of the Tijara Block of Alwar district in Rajasthan. The scope of the project includes rainwater harvesting, wasteland restoration, large scale plantation, agricultural intervention, livestock promotion, micro enterprise development, and community mobilisation through women self-help and user groups. SRF Foundation collaborated with the Society for Promotion and Conservation of Environment (SPACE).

The project also recharged 2,832,510 kilolitres of groundwater, greatly improving water availability for irrigation. Another achievement involved levelling 1,750 hectares of wastelands, enabling farmers to engage in wheat and mustard cultivation, doubling their income.

In FY23, this programme directly benefited over 5,249 families and indirectly supported 1,705 more from 35 villages in the Tijara block surrounding the SRF Bhiwadi plant. This region receives below-normal rainfall, but our programme has helped maintain 206 earthen dams, ensuring their proper utilisation and providing sustainable benefits.

Promotion of Healthcare

SRF Foundation organises preventative health check-ups for a variety of illnesses, such as eye and orthopaedic conditions, heart and lung conditions etc. The Foundation has also started two powerful health initiatives to enhance wellbeing in remote locations. The first is the Swasthya Sewa project, which runs a Mobile Health Van and offers crucial medical services to remote and difficult areas. A Primary Health Centre in Nalcha (M.P.) has also been adopted by the Foundation, ensuring that the marginalised populations have access to high-quality medical treatment. These initiatives have positively impacted 35,000 lives in 2 locations Nalcha (Madhya Pradesh) and Bharuch (Gujarat).

Art & Culture

SRF Foundation is promoting art & culture through SRF Virasat association with SPIC MACAY and SMARAN aimed at promoting Indian classical music, dance, and culture across pan India. Through these programmes, we have nurtured artistic expression, preserved cultural heritage, and fostered creativity among the younger generation. SRF Virasat has successfully conducted 325 programmes across India in the years 2022 and 2023. Uttarakhand witnessed 88 shows, while Madhya Pradesh hosted 95. Notably, Delhi, Gujarat, Chennai, and Assam organised 69, 49, 17, and 7 shows, respectively, where over 200 talented artists showcased various art forms.

With the active participation of over 3 lakh students, 1,000 dedicated volunteers, 200 accomplished artists, 6,000 experienced faculty members, 1,000 support staff, and 500 skilled accompanists, SRF Virasat has made a profound and positive impact on the lives of countless individuals.

Customer relationship

SRF Limited recognises that strong customer relationships are built on trust and transparency. We are committed to open and honest communication with our customers regarding their needs, preferences. SRF Limited also encourages customer feedback and actively seeks out opportunities to improve its products and services based on customer input. We conduct periodic customer satisfaction surveys and implement corrective measures to resolve the matter in the best possible manner and provide exceptional customer service.

Product Labelling

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

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

Sustainable Product Offerings

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

We have a proven track record of showcasing our in-house technological capability in the fluorochemical space wherein we could successfully transition from CFCs to HCFC and then later to HFC which has enabled the customers to adopt lower GWP potential refrigerant gas products. The integrated facilities and our R&D capabilities provide us great confidence in meeting future challenges and fulfill customer requirements.

The R&D team of the chemical business continues to be the torchbearer in the specialty chemical space, wherein we have been able to successfully launch various new generation products. In our specialty business while we started with fluorine chemistry but over the years we have acquired deep expertise in various areas and command leadership position in certain chemistries and the ability to manage complex custom synthesis and other Contract development and manufacturing operations (CDMO). To maintain this enviable position, we have invested substantially in people, equipment, and capital; in turn, creating an environment of agile process development and rapid project implementation for Specialty Chemicals.

Packaging films and Technical Textiles business continues to show strong resilience against a tough business environment. In the current year these businesses significantly worked on their cost structures optimisation, and offered various innovative products and solutions to their customers. For instance; Low-micron Packaging Films offer a low carbon footprint with sustained quality parameters; NTCF / Belting fabric products are offered in multiple substrates.

Sustainable Supply Chain

We believe in nurturing long-term relationships with our suppliers and business partners by building trust and transparency in procurement-related processes and decisions. SRF procures all the key raw materials from reliable and sustainable sources by establishing strong relationships with suppliers and other business partners to ensure uninterrupted operations and business continuity.

SRF has implemented digital solutions and automated processes through Business Process Management platforms where we plan to integrate customer and supplier portals in key segments to gain better control over crucial supply chain metrics. In some of our segments to procure critical raw materials we have established long-term contracts with vendors, which include formula-driven price discovery agreements and automated indenting to ensure continuous supply.

The organisation strongly upholds the idea of promoting its supply chain with elevated norms of health, safety, human rights, business ethics, and environmental preservation, among other criteria. This approach not only creates benefits for the company and stakeholders but also helps in reducing the potential risks associated with its complex supply chain.

SRF's focus on sustainable sourcing is reflected in its emphasis on local procurement of raw materials, wherever feasible.

Impact of Social & Relationship Capital on other capitals

- **Financial Capital:** Sustained financial growth
- **Intellectual Capital:** Incorporating feedback leading to better product offerings
- **Human Capital:** Skill development and awareness initiatives for the workforce
- **Manufactured Capital:** Robust supply of raw materials
- **Natural Capital:** Contribution towards environment conservation, 3R principles

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the entity

1	**Corporate Identity Number (CIN) of the Listed Entity**	L18101DL1970PLC005197
2	**Name of the Listed Entity**	SRF Limited
3	**Year of incorporation**	1970
4	**Registered office address**	The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110 091
5	**Corporate address**	Block - C, Sector - 45, Gurugram, Haryana, India - 122 003
6	**E-mail**	cs@srf.com
7	**Telephone**	91-124-4354400
8	**Website**	www.srf.com
9	**Financial year for which reporting is being done**	1 April 2022 to 31 March 2023
10	**Name of the Stock Exchange(s) where shares are listed**	1. BSE Limited 2. The National Stock Exchange of India Limited
11	**Paid-up Capital**	₹ 296.42 Crore
12	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	Rajat Lakhanpal Sr. Vice President (Corporate Compliance) & Company Secretary Email - rlakhanpal@srf.com Contact - 0124-4354589
13	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):**	Disclosures under this report are made on standalone basis for SRF Limited

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity*
1	Chemicals Business	Chemicals Business consists of two segments, namely Specialty Chemicals and Fluorochemicals located in Dahej, Gujarat and Bhiwadi, Haryana respectively	60.68
2	Packaging Films Business	Packaging Films Business (PFB) consists of Polyester Films. PFB manufacturing locations are based in Indore (3), Madhya Pradesh and Kashipur, Uttarakhand. Additionally, there are three overseas plants in Thailand, South Africa, and Hungary	20.41
3	Technical Textiles Business	Technical Textiles Business (TTB) consists of manufacturing of Tyre Cord Fabrics, Belting Fabrics and Industrial Yarn. TTB has manufacturing locations in Manali, Gummidipoondi and Viralimalai in Tamil Nadu and Malanpur in Madhya Pradesh	15.66
4	Other Businesses	Coated and Laminated Fabric Businesses located at Gummidipoondi, Tamil Nadu and Kashipur, Uttarakhand	3.25

* Based on segment revenue

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed*
1.	Specialty Chemicals	2029	35.28
2.	Fluorochemicals, Refrigerant Gases and allied products	2011	21.66
3.	Packaging Films	2220	20.35
4.	Nylon Tyre Cord Fabric / Polyester Tyre Cord Fabric / Belting Fabric	1399	13.81
5	Industrial Chemicals	2011	3.64
6.	Laminated Fabric, Coated Fabric and other ancilliary activities	1399	3.28
7.	Synthetic Filament Yarn including Industrial Yarn/ Twine	2220	1.98

*Excluding other operating income

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	10	7	17
International	0	0	0

17. Markets served by the entity:

a. Number of locations

Locations	Value (in numbers)
National (No. of States)	30
International (No. of Countries)	86

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of total turnover of SRF Limited on standalone basis is 51.03%.

c. A brief on types of customers:

The Company's customers base consists of organisations under automotive, pharmaceuticals, air conditioning and refrigeration, manufacturing, chemicals, food & agro, renewable energy, lifestyle & decor, agrochemicals, mining and FMCG.

IV. Employees

18. Details as at the end of Financial Year (FY 2022-23):

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	Employees					
1.	Permanent (D)	3276	3049	93	227	7
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	3276	3049	93	227	7
	Workers					
4.	Permanent (F)	3895	3771	97	124	3
5.	Other than Permanent (G)	7084	6768	96	316	4
6.	Total workers (F + G)	10979	10539	96	440	4

b. Differently abled Employees and workers (FY 2022-23):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	Employees					
1.	Permanent (D)	3	2	67	1	33
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	3	2	67	1	33
	Workers					
4.	Permanent (F)	14	14	100	0	0
5.	Other than permanent (G)	5	5	100	0	0
6.	Total differently abled workers (F + G)	19	19	100	0	0

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	Number and Percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	1	10
Key Management Personnel	8	0	0

20. Turnover rate for permanent employees and workers

Particulars	FY 2022-23 (Turnover rate in %)			FY 2021-22 (Turnover rate in %)			FY 2020-21 (Turnover rate in %)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13	18	13	10	18	11	7	6	7
Permanent Workers	7	10	7	5	21	5	7	18	7

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	KAMA Holdings Limited	Holding	50.48	Yes
2	SRF Holiday Home Limited	Subsidiary	100	No
3	SRF Global BV	Subsidiary	100	No
4	SRF Industries (Thailand) Limited	Subsidiary	100	No
5	SRF Industex Belting (Pty) Limited	Subsidiary	100	No
6	SRF Flexipak (South Africa) (Pty) Limited	Subsidiary	100	No
7	SRF Europe Kft	Subsidiary	100	No
8	SRF Employees Welfare Trust (Controlled Trust) *	Subsidiary	100	No
9	SRF Altech Limited	Subsidiary	100	No
10	Malanpur Captive Power Ltd.	Associate	22.60	No
11	Vaayu Renewable Energy (Tapti) Private Limited	Associate	26.32	No

* as per the requirements of INDAS

VI. CSR Details

22. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

ii. Turnover (in ₹) (FY 2022-23): INR 12,074 Crores

iii. Net worth (in ₹) (FY 2022-23): INR 9,109 Crores

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	None	0	0	None
Investors	Yes	0	0		0	0	
Shareholders	Yes	304	0		394	0	
Employees and workers	Yes	3	0		3	0	
Customers	Yes	440	56		545	32	
Value Chain Partners	Yes	0	0		0	0	

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material Issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate Positive or negative implications)
1	Energy Management	Opportunity	Optimising energy installations in our manufacturing locations and offices adds to our effort of reducing Company's GHG emissions	-	Positive
2	GHG emission reduction	Opportunity	Undertake GHG emissions reduction initiatives through use of fuel from renewable sources, increased use of electricity from renewable sources and implement energy efficient measures	-	Positive
3	Air emissions	Risk	Emission beyond prescribed limits by the respective State Pollution Control Board (SPCB) may attract fines and penalties	Ensure monitoring of all sources of air pollutants in Company's manufacturing locations. Undertake measures to reduce SOx, NOx and PM emissions	Negative
4	Water conservation	Opportunity	Reuse, recycling and rainwater harvesting lowers water withdrawals leading to increased availability of water resource	-	Positive
5	Waste Management	Risk	Inefficient waste management practices may pose a risk to environment	Our waste management strategy focuses efficient management of waste based on 3R principle – Reduce, Reuse and Recycle and promotes circular economy	Negative
6	Key material procurement and management	Risk	Non-adherence to ESG Practices and EHS compliances in organisations providing raw material may lead to supply chain disruptions	Engage in frequent dialogue with raw material suppliers for implementation of EHS Governance and ESG Practices	Negative
7	Employment	Opportunity	Ensuring we remain as the "go to Company" for emerging talent.	-	Positive
8	Occupational Health and Safety	Risk	Occupational health & safety risks due to the nature of operations of the Company	Company continues to implement robust and effective occupational health and safety management systems and minimise Industrial accidents	Negative
9	Community relations and engagement	Opportunity	CSR activities helps empower communities and generates employment leading to development of people and the region	-	Positive
10	Corporate Governance Practices	Opportunity	Code of Conduct of the Company enshrines the principles by which the Company and its employees are guided.		Positive
11	Total Quality Management (TQM)	Opportunity	Implementation of TQM ensures meeting evolving customer aspirations and shifting market dynamics by bringing systemic changes to maximise operational efficiency	-	Positive
12	Innovation & Research and Development	Opportunity	Enhance resource efficiency and continuous development of new products for the market	-	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	No	Yes	No	Yes	Yes	No	Yes	No
c. Web Link of the Policies, if available									
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusts) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 14001, OHSAS 18001, SA8000, ISO 9001, ISO 45001								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Our values – Respect, Integrity, Non-discrimination, Excellence & Wellbeing– ensure our commitment towards sustainability across our plants and offices. In line with our identified material topics, we have taken the following targets and commitments: • 30% electricity sourced from RE by 2030 • Improvement in water credit to debit ratio • Moving towards an Injury Free Workplace • Enhanced women participation across organisation								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	We have set up an internal mechanism to regularly track our targets and commitments as mentioned in (5). Yearly performance of identified targets and commitments will be updated as part of our ESG disclosures								
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure):	Our Environment and Social Responsibility will focus on four main aspects: i. We will benefit the communities where we work. ii. We will embrace diversity, equality and inclusion in our workforce. iii. We will enhance our focus on the 3R's- Recycle, Reuse and Reduce. iv. We will transition from traditional energy to renewable energy in the future (Refer to point no 5 for targets)								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	We are guided by the Board of Directors comprising of industry experts having diverse and rich experiences which enable and facilitate effective decision-making and execution of sustainable and long-term strategies. The Board reviews key ESG imperatives and ensure ESG performance is aligned to our aspirations								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Board periodically monitor the financial, environmental, and social performance of the Company while addressing key risks and opportunities. The Company also has a Risk Management Committee which reviews entity wide risks including ESG risks.								

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearlyQuarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
10 Details of Review of NGRBCs by the Company:																		
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	A	A	A	A	A	A	A	A	A
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	A	A	A	A	A	A	A	A	A

	P1	P2	P3	P4	P5	P6	P7	P 8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No external assessment was conducted, However The Company conducts periodic review of the policies internally.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4	Familiarisation of business environment and related risk, Changes in regulatory framework, TQM, ESG, OHS, etc	100
Key Managerial Personnel	5	Information Security, Familiarisation of business environment and related risk, Changes in regulatory framework, TQM, ESG, OHS, etc.	68
Employees other than BoD and KMPs	2041	Various trainings pertaining to health, safety, behavioural, skill upgradation, management, operations, etc.	81
Workers	2203	Various trainings pertaining to health, safety, behavioural, skill upgradation, management, operations, etc.	84

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Penalty/ Fine			Nil		
Settlement					
Compounding fee					

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil		
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

We adhere to the Code of Conduct & Ethics and Whistle Blower Policy which reflects the commitments regarding ethical conduct, anti-corruption and to maintain highest level of integrity. We have also established a vigil mechanism for our directors and employees to report any concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors		
KMPs	Nil	Nil
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

No fines/penalties were imposed by regulators/ law enforcement agencies/ judicial institutions, on account of bribery/corruption and conflict of interest.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23	FY 2021-22	Details of improvements in Environmental and social impacts
R&D	-	-	While the Company makes significant investments in development of new sustainable and green technologies, however we have not measured the impact specifically.
Capex	3.45%	7.10%	Project for solar energy, reduction of emissions and environmental impact, Employee health and safety.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   SRF is committed towards sustainably sourcing our raw material. We constantly work towards nurturing sustainable relationships with our supply chain partners by building trust, fair treatment, and transparency in all procurement-related decisions. SRF also undertakes the 'Supplier Quality System' assessment wherever possible by evaluating them on various parameters like resource management, compliance with environmental requirements & certifications, storage etc

   b. **If yes, what percentage of inputs were sourced sustainably?**

   71% (including procurement of capital goods)

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   a) Plastics- We have established our capability to recycle non-usable metallised film by unique demetallisation process. This process has resulted in reduced input of virgin raw material.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   No

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B /A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E /A)	Number (F)	% (F / A)
Permanent employees											
Male	3049	3049	100	3049	100	0	0	3049	100	3049	100
Female	227	227	100	227	100	227	100	0	0	227	100
Total	3276	3276	100	3276	100	227	100	3049	100	3276	100
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

b. **Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B /A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E /A)	Number (F)	% (F / A)
Permanent workers											
Male	3771	3771	100	3771	100	0	0	3771	100	3771	100
Female	124	124	100	124	100	124	100	0	0	124	100
Total	3895	3895	100	3895	100	124	100	3771	100	3895	100
Other than Permanent workers											
Male	6768	6768	100	6768	100	0	0	6768	100	6768	100
Female	316	316	100	316	100	316	100	0	0	316	100
Total	7084	7084	100	7084	100	316	100	6768	100	7084	100

2. **Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	91	Y	100	92	Y
Gratuity	100	91	N.A.	100	92	N.A.
ESI	2	6	Y	2	11	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

At SRF, we believe in safe and integrated working environment for all individuals. Our premises are equipped with lifts, ramps with adequate slopes, proper seating plan to enable easy movement and comfortable seating arrangement for differently abled persons.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

We have Human Rights policy and code of conduct which reflects equal opportunity for all. We ensure that there is no discrimination in employment or developmental opportunities based on religion, caste, language, region, gender (male, female or transgender), age, sex, sexual orientation, physical abilities, etc. For more details, refer section on Human Rights. https://www.srf.com/wp-content/uploads/2022/01/SRF-Human-Rights-Policy.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	100%	87%	100%	95%
Female	100%	89%	100%	100%
Total	**100%**	**88%**	**100%**	**95%**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Gender	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

Yes, our company has Grievance Redressal Mechanisms for all employees and workers. The Company has put in place a 'People Redbook Systems' at various locations. These grievance handling systems provide a platform to employees to voice their grievances. Employees and workers can anonymously submit their grievances in offices and plants through complaint and suggestion boxes. The grievance procedures clearly outline the resolution process which is conducted in a fair and independent manner while respecting confidentiality.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	3276	85	3	2976	395	13
Male	3049	81	3	2782	395	14
Female	227	4	2	194	0	0
Total Permanent Workers	**3895**	**986**	**25**	**3698**	**1314**	**36**
Male	3771	957	25	3629	1264	35
Female	124	29	23	69	50	72

The Company has set up various committees that have representatives of both management and workers and these provide a platform for communication and ensure transparency. These include employee associations, canteen committees, health & safety committees, etc., and significantly contribute to workers' well-being and satisfaction. These associations are recognised by the management and provide a forum for interaction and resolution of issues between management and employees.

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
					Employees					
Male	3049	1925	63	2228	73	2782	1085	39	921	33
Female	227	98	43	136	60	194	79	41	80	41
Total	**3276**	**2023**	**62**	**2364**	**72**	**2976**	**1164**	**39**	**1001**	**34**
					Workers					
Male	3771	2284	61	2403	64	3629	1427	39	1204	33
Female	124	111	90	105	85	69	28	41	28	41
Total	**3895**	**2395**	**61**	**2508**	**64**	**3698**	**1455**	**39**	**1232**	**33**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
			Employees			
Male	3049	3049	100	2782	2782	100
Female	227	227	100	194	194	100
Total	**3276**	**3276**	**100**	**2976**	**2976**	**100**
			Workers			
Male	3771	3771	100	3629	3629	100
Female	124	124	100	69	69	100
Total	**3895**	**3895**	**100**	**3698**	**3698**	**100**

10. Health and safety management system:

a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

We recognise safety and health as an essential part of our operations. Our Health & Safety Policy ensures safe and healthy workplace for all. Based on the policy, we have established robust safety management systems across all our plants which includes, training on safety parameters including case studies, awareness campaigns, identification of hazards and tangible interventions to make the workplace safer. We have an Occupational Health Centre (OHC) in our plants which caters to any type of injury sustained by a worker or an employee. The OHC is managed round the clock by qualified doctors and trained paramedic staff.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Company follows Hazard Identification and Risk Assessment (HIRA) and Hazard and operability (HAZOP) study to identify the work-related hazards and all the significant risks arising from the identified hazards are then addressed through operational control procedure and management programs.

Audits and inspections are carried out on an annual basis to identify risks, address areas of concern and minimise the risk of occurrence of any accidents at the workplace. Our plants and offices are assessed by third party auditors to ensure the health & safety and working conditions of our workplace as well. For more detail, refer section on Occupational Health & Safety.

c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

We have a structured way to report any work-related hazard identified in our facilities. Workers are given trainings and awareness sessions on a regular basis on identifying work related hazards. Additionally, everyone is encouraged to report work related hazards in our portal and to the plant EHS SPOC to ensure timely corrective action.

d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Our Occupational Health Centres are managed by qualified doctors, Trained paramedic staff. In addition to response to occupational injuries, they also cater to non-occupational medical and healthcare advice in general.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR)	Employees	0	0
	Workers	0.19	0.73
Total recordable work-related injuries	Employees	0	0
	Workers	5	11
Number of fatalities	Employees	1	0
	Workers	1	2
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

SRF is committed to be an injury free workplace. Consequently, the Company strives to achieve zero injury/fatality/incidents/accidents across all its plants and manufacturing units. The Company handles, stores and distributes its products in an environment conscious manner. Emergency response plans, safety procedures and processes have been deployed across the organization to ensure a healthy and safe workplace. In addition to the above, EHS committees have been formed across plants to build a safety-oriented culture across the organization. This helps in ensuring proactive identification and avoidance of safety incidents. SRF has systems in place to monitor and address issues at an early stage and help take pre-emptive measures and report near-miss incidents.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

As a responsible organisation, SRF strives to ensure a safe and healthy working environment for its workforce. We have deployed emergency response plans, safety procedures and processes across the organisation to ensure a healthy and safe workplace. To keep the employees safe, SRF provides training on the importance of safety practices and trains them to deal with adverse events and at the same time, trains them on ways to avoid such incidents. This is done through regular safety trainings and emergency mock drills. For more information, refer Occupational Health & Safety section.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

We take a collaborative approach when it comes to working with both internal and external stakeholders namely employees, suppliers, dealers, customers, shareholders / investors, communities surrounding the operations and government / regulatory authorities and gives utmost importance to healthy relationship and continuous engagement with them.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others please specify)	Purpose and scope of engagement including key topics and concerns raised during such Engagement
Regulatory bodies	No	• Regulatory fillings • Meetings • Emails • Briefings on industry trend • Through Industry Associations	As per requirement	• Compliance requirements • Upcoming rules and regulations • Industry representation on key matters
Shareholders	No	• Regulatory fillings • Company website • Quarterly publication of results followed by earning call • Periodic Analysts' briefing	As per requirement	• Financial and non-financial performance • Corporate governance, Ethics and value
Suppliers	No	• Emails • Periodic meetings • Visits to supplier's facilities • Conferences	As per requirement	• Business opportunities, quality and safety of raw materials • Supplier evaluation programme • Materials management • Issues faced by Company/suppliers
Customers	No	• Emails • Meetings • Conferences • Surveys to capture customer satisfaction level • Awards and Recognitions • Joint workings on product reengineering	Regularly	• Product innovation and life-cycle efficiency • Resolution of Customer Complaints • Quality and Safety • New products offerings
Employees	No	• Emails • Notice board • Meetings • Open house sessions with senior management • Grievance mechanism • Performance feedback • Surveys to capture employee satisfaction level • Focused trainings and awareness sessions	Regularly	• Career growth prospects • Learning and development programs • Trainings Rewards and Recognition • Occupational Health and Safety • Work environment and policies Grievance redressal mechanism • Ethics and transparency • Total Quality Management • IT enablement & digitisation • Employee-oriented work policies
Local Communities	Yes	• Community meetings • CSR projects • Email • Social impact assessment	Regularly	• Social concerns in the region • Minimising negative environmental impact • Local employment • Partnership with local NGOs for servicing wider set of local communities • Local infrastructure development, structured learning by digital classrooms training, providing scholarships, and other necessary support

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees /workers covered (B)	% (B / A)	Total (C)	No. of employees /workers covered (D)	% (D / C)
Employees						
Permanent	3276	2552	78	2976	2793	94
Other than permanent	-	-	-	-	-	-
Total Employees	3276	2552	78	2976	2793	94
Workers						
Permanent	3895	3045	78	3698	3409	92
Other than permanent	7084	4785	68	7433	4525	61
Total Workers	10979	7830	71	11131	7934	71

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B /A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	3049	0	0	3049	100	2782	0	0	2782	100
Female	227	0	0	227	100	194	0	0	194	100
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	3771	0	0	3771	100	3629	0	0	3629	100
Female	124	0	0	124	100	69	0	0	69	100
Other than Permanent										
Male	6768	1356	20	5412	80	7072	1445	20	5627	80
Female	316	181	57	135	43	361	167	46	194	54

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary (average)/ wages of respective category (in INR)	Number	Median remuneration/ salary (average)/ wages of respective category (in INR)
Board of Directors (BoD)	9	20,70,000	1	21,50,000
Key Managerial Personnel	8	7,92,08,036	0	-
Employees other than BoD and KMP	3041	7,87,819	227	7,93,965
Workers	3771	4,43,116	124	1,59,732

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

SRF Limited recognises, respects and reinforces 'Human Rights' and is committed towards protection of such rights by creating a safe, secure and healthy working environment for all its employees. SRF has established a Values Steering Committee which comprises of the Joint Managing Director (JMD) and senior level employees. Our Values Steering Committee is responsible for addressing human rights issues highlighted by Company's employees and workers.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have a robust mechanism to address grievances related to human rights. Any issue pertaining to human rights by any worker or employee can reported to Company's Values Steering Committee or any of its member. The Values Steering Committee will identify the resources who would conduct the investigation based on the nature of the issue reported and take necessary actions to address the issue in the best interest of the aggrieved person and the Company.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	0	None	3	0	None
Discrimination at workplace	1	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/ Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a Vigil Mechanism comprises of various policies which ensure protection of the complainant against victimization for the disclosures made by him/her.

8. Do human rights requirements form part of your business agreements and contracts?

SRF Limited recognises, respects, and reinforces 'Human Rights' and is committed towards protection of such rights. We encourage our suppliers to be fully compliant with applicable laws and to adhere environmental, social and corporate governance standards (ESG standards), and intent to foster relationship with suppliers having robust Environment Health and Safety (EHS) practices.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption* (A) (TJ)	1,973	1,972
Total fuel consumption (B) (TJ)	10,939	8,783
Energy consumption through other sources (C) (TJ)	Nil	Nil
Total energy consumption^ (A+B+C) TJ	12,912	10,755
Energy intensity per rupee of turnover (TJ/INR Crores)	1.07	1.08

^ Increase due to higher business operations and new product commercialisation.

* Purchased electricity including renewable and non renewable sources

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	6,179
(ii) Groundwater	10,25,296	10,13,771
(iii) Third party water	42,75,483	37,73,657
(iv) Seawater / desalinated water	-	-
(v) Others (Rainwater harvesting)	58,362	25,788
Total volume of water withdrawal (in KL) (i + ii + iii + iv + v)	53,59,141	48,19,395
Total volume of water consumption (in KL)	46,76,294	42,60,531
Water intensity per rupee of turnover (KL/INR Lakhs)	3.87	4.28

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

We have identified water conservation as a material topic. SRF is committed in optimising use of water using water efficient technologies, recycling and reusing treated wastewater in operations. Our Chemicals plant in Bhiwadi, Technical Textiles Business units Manali, Viralimalai and Gwalior and Packaging Films Business units are zero liquid discharge. Other locations have wastewater treatment plants ensuring quality and quantity of wastewater discharged is within permissible limits set by the respective Pollution Control Boards.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	MT/Annum	490.31	430.24
SOx	MT/ Annum	646.79	817.54
PM	MT/ Annum	263.34	249.11

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions	tCO2e	10,89,283	8,82,002
Total Scope 2 emissions	tCO2e	3,15,771	3,87,681
Total Scope 1 and Scope 2 emissions per rupee of turnover (tCO_2e/ INR Lakhs)		1.16	1.27

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

- Increase in renewable energy share - In FY 2022-23, our energy consumption from renewable sources stood at 1201 TJ (including biomass consumption) with an increase of 31% as compared to FY 2021-22
- Retrofitted lightening and replaced high energy consuming manufacturing equipment in our Chemicals, Packaging Films and Technical Textiles business.
- We are in the process of implementing Thermal Oxidation for further reduction of green house gas emission impact.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	2,313	1,287
E-waste (B)	19	12
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	104	61
Radioactive waste (F)	0	0
Other Hazardous waste (G)	4,25,959	3,06,946
(Primarily consists of Spent solvent and process residue generated in Co-processing/Pre-processing)		
Other Non-hazardous waste generated (H)	78,922	67,877
(Primarily consists of fly ash and other miscellaneous scrap items)		
Total (A+B + C + D + E + F + G + H)	**5,07,316**	**3,76,184**

Parameter	FY 2022-23	FY 2021-22
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
(i) Recycled	9,189	7,556
(ii) Re-used	3,30,805	2,32,150
(iii) Other recovery operations	69,776	51,961
Total	**4,09,770**	**2,91,667**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	223	4,123
(ii) Landfilling	34,753	30,700
(iii) Other disposal operations	0	0
Total	**34,976**	**34,823**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

SRF emphasises on the principle of 3R – Reduce, Reuse and Recycle and strives to operate in a 'closed-loop' through circularity in operations. The Company has been able to significantly enhance its capability by implementing necessary infrastructure for ensuring conversion and neutralization of hazardous waste into usable material or disposable in the most environment-friendly manner.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
The Company does not have any of its manufacturing facilities in ecologically sensitive areas.			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public Domain (Yes / No)	Relevant Web Link
Not applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
None				

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1.a. Number of affiliations with trade and industry chambers/ associations.

We proactively collaborate with several industry associations to share our best practices, address industry concerns, and implement measures for driving industry growth and fostering economic development in the country. We are affiliated with eight trade and industry associations at the national and state level.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry	National
2	Refrigerant Gases Manufacture Association	National
3	Indian Chemical Council	National
4	CHEMEXCIL	National
5	Centre for Chemical Process Safety	National
6	The Synthetic & Rayon Textiles Export Promotion Council	National
7	Indian Technical Textile Association (ITTA)	National
8	Association of Synthetic Fibre Industry	National
9	Indian society for quality	National
10	British Safety Council	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

No adverse orders received from the regulatory authorities on any issues related to anti-competitive conduct.

Name of authority	Brief of the case	Corrective action taken
	None	

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
		Not applicable			

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

Our operations have not displaced any population or their livelihoods. Hence, no Rehabilitation and Resettlement (R&R) activities is applicable to us.

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
			Not applicable			

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has a robust grievance mechanism to receive and redress complaints or any concerns raised by the community. We constantly engage with local communities through various means such as personal visits, surveys, meetings, letter etc. to understand their concerns and take appropriate actions to resolve them.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	16.95%	12.20%
Sourced directly from within the district and neighbouring districts	16.75%	17.15%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We have a robust resolution mechanism for resolution of customer complaints. Customers can raise their complaints through the grievance redressal mechanism. Our marketing and customer relationship management team regularly engages with customers through visits/surveys and meetings to understand their feedback and subsequently incorporate into our solutions. We also conduct periodic consumer satisfaction surveys to seek detailed consumer feedback on our solutions. All complaints are resolved in the least possible time.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	Not Applicable

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Restrictive Trade practices	0	0	None	0	0	None
Unfair Trade Practices	0	0		0	0	
Others	440	56		545	32	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	-	Not Applicable
Forced recalls	-	

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

It is essential for the continuous operations of the Company to ensure security and confidentiality of its information systems and associated data are maintained, at a level that is appropriate to its business.

Company has a well defined cyber risk management policy and has implemented various systems to protect from cyber attacks. The said policy is available for internal use.

Some of our key strategies to mitigate Cybersecurity risks are mentioned below:

- Implementation of new perimeter security mechanisms such as dual firewalls, internet/email content filtering, Secure VPNs etc.
- Secure data centres, identity and password management
- Awareness sessions on cybersecurity risks conducted for employees on regular basis
- Implementation of mobile device management for users with critical data leak risk.
- Classification and encryption of Intellectual property with IRM solutions to protect against data exfiltration.
- Ensuring adequate upgradation, maintenance and segregation of servers and network zones
- Devices for added security and data protection
- Security events management and monitoring tools managed through a 24x7 SOC
- Modern anti-malware and EDR solutions deployed on all end points and servers
- Regular backups sufficiently segregated to ensure recovery in the event of any compromise.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable

SRF Limited

(CIN: L18101DL1970PLC005197)

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

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

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

Notice

Notice is hereby given that the 52nd **Annual General Meeting** of SRF Limited will be held on **Friday, June 30, 2023 at 10.00 a.m.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility to transact the following businesses: -

Ordinary Business

1. To receive, consider and adopt the standalone and consolidated audited financial statements of the Company for the financial year ended March 31, 2023 along with the Reports of the Auditors' and Board of Directors' thereon.

2. To appoint a Director in place of Mr. Pramod Gopaldas Gujarathi (DIN 00418958), who retires by rotation and being eligible, offers himself for re-election.

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

   Re-appointment of Statutory Auditors of the Company

   "**RESOLVED THAT** pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. B S R & Co. LLP, Chartered Accountants, having registration No. 101248W/W-100022 be and are hereby re-appointed as the Statutory Auditors of the Company for term of five consecutive years, who shall hold office from the conclusion of this 52nd Annual General Meeting till the conclusion of the 57th Annual General Meeting on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

Special Business

4. Re-appointment of Mr. Pramod Gopaldas Gujarathi (DIN 00418958) as a Whole-Time Director, designated as "Director (Safety & Environment) and Occupier

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

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval be and is hereby accorded for re-appointment of Mr. Pramod Gopaldas Gujarathi (DIN 00418958), as the Whole-Time Director, designated as "Director (Safety & Environment) and Occupier" of the Company, on the terms, conditions and remuneration, including minimum remuneration as are hereinafter specifically given:-

Tenure

Three years with effect from April 1, 2023. He shall be liable to retire by rotation.

Functions

Mr. Pramod Gopaldas Gujarathi (DIN 00418958) shall be responsible for compliances with the laws relating to safety, health and environment at the factories of the Company, present and future. He shall continue to act as person in charge for the business of SRF Limited under Legal Metrology Act, 2009. He shall also discharge such other responsibilities as may be entrusted to him by the Chairman & Managing Director, Joint Managing Director and/or the Board, from time to time.

Remuneration

Subject to the overall limit on remuneration payable to all the managerial personnel taken together, the remuneration payable to Mr. Pramod Gopaldas Gujarathi shall comprise salary, perquisites and commission, as may be decided by the Board/Nomination and Remuneration Committee in accordance with the Nomination, Appointment and Remuneration Policy not exceeding ₹ 30 lakhs p.a.

Remuneration for a part of the year shall be computed on pro-rata basis.

Minimum Remuneration

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mr. Pramod Gopaldas Gujarathi (DIN 00418958) shall be decided by the Nomination and Remuneration Committee subject to the provisions of the Companies Act, 2013 and such approvals, if any, as may be required.

Termination

The appointment of Mr. Pramod Gopaldas Gujarathi (DIN 00418958) as **Director (Safety & Environment) and Occupier** may be terminated by either party giving to the other one calendar months' notice in writing.

"**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee be and is hereby authorised to recommend/decide from time to time the salary, perquisites and commission payable to Mr. Pramod Gopaldas Gujarathi (DIN 00418958) during his tenure with effect from 01.04.2023 within the approved ceiling of remuneration, in accordance with the Nomination and Remuneration Policy, as amended from time to time."

"**RESOLVED FURTHER THAT** the powers and authorities delegated by the Board to Mr. Pramod Gopaldas Gujarathi (DIN 00418958), from time to time, including powers to sub-delegate shall remain valid upon his re-appointment."

5. **Re-appointment of Ms. Bharti Gupta Ramola (DIN: 00356188) as an Independent Director**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Nomination, Appointment and Remuneration Policy of the Company, Ms. Bharti Gupta Ramola (DIN: 00356188) Independent Non-executive Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who in the opinion of the Board fulfills the conditions specified in the Act and the rules made thereunder, is independent of the management and eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a period of 5 consecutive years from February 4, 2024 to February 3, 2029, and whose office shall not be liable to retire by rotation."

6. **Re-appointment of Mr. Puneet Yadu Dalmia (DIN: 00022633) as an Independent Director**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Nomination, Appointment and Remuneration Policy of the Company, Mr. Puneet Yadu Dalmia (DIN: 00022633) Independent Non-executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who in the opinion of the Board fulfills the conditions specified in the Act and the rules made thereunder, is independent of the management and eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a period of 5 consecutive years from April 1, 2024 to March 31, 2029, and whose office shall not be liable to retire by rotation."

7. **Re-appointment of Mr. Yash Gupta (DIN: 00299621) as an Independent Director**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Nomination, Appointment and Remuneration Policy of the Company, Mr. Yash Gupta (DIN: 00299621) Independent Non-executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who in the opinion of the Board fulfills the conditions specified in the Act and the rules made thereunder, is independent of the management and eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a period of 5 consecutive years from April 1, 2024 to March 31, 2029, and whose office shall not be liable to retire by rotation."

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

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

"**RESOLVED THAT** pursuant to the provisions of Sections 42, 71, 179 and any other applicable provisions of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board duly authorized by it in this regard in accordance with the applicable provisions of the said Act) be and is hereby authorised to issue, offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, aggregating upto ₹ 1500 crores (Rupees fifteen hundred crores only), on private placement basis, and on such terms and conditions as the Board of Directors may, from time to time, determine and consider proper and most beneficial to the Company including as to the timing of issue of such Debentures, the consideration for the issue, the utilisation of the issue proceeds and all other matters connected with or incidental thereto.

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

9. **Alteration of the Article of Association of the Company**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 5, 14(1), 15 read with Companies (Incorporation) Rules, 2014, and other applicable provisions, if any, of the Companies Act, 2013 and subject to such other approvals and permissions, if any and to the extent required, approval of the members be and is hereby accorded for amendment in the Articles of Association of the Company by inserting following article 68A after the existing article 68 in the Articles of Association of the Company:

68A. Notwithstanding anything to the contrary contained in these Articles, The Directors shall have authority from time to time to appoint or accept nomination of Directors, not liable to retirement by rotation, nominated by the debenture trustee(s) in terms of clause (m) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended, or such other provisions of law, as may be applicable.

10. **Ratification of Remuneration of Cost Auditors for financial year 2023-24**

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024 as provided below, be and is hereby approved and ratified:

Name of Cost Auditor	Business	Remuneration payable
H Tara & Co. (Membership No. 17321)	Technical Textiles Business and Other Businesses	₹ 3.25 lakhs plus applicable taxes and reimbursement of actual out of pocket expenses
Sanjay Gupta & Associates (Membership No. 18672)	Chemicals Business and Packaging Films Business	₹ 5.25 lakhs plus applicable taxes and reimbursement of actual out of pocket expenses

By Order of the Board of Directors

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

Date : May 09, 2023
Place : Gurugram

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

NOTES

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details of material facts relating to the Special businesses to be transacted at this AGM, is annexed hereto.

2. Ministry of Corporate Affairs ("MCA"), vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 5, 2020 read together with Circular No. 02/2021 dated January 13, 2021 read with Circular No. 2/2022 dated May 5, 2022 and Circular No. 10/2022 dated December 28, 2022 (collectively referred to as 'MCA Circulars') and SEBI vide its circular dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 (collectively referred to as 'SEBI Circulars') has permitted to hold Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual means (OAVM).

3. In compliance with the applicable provisions of the Companies Act, 2013 ("the Act") read with the aforesaid MCA Circulars and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 52nd AGM of the Company is being conducted through VC/OAVM. Deemed Venue for meeting will be Registered Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091.

4. National Securities Depository Limited (NSDL), will be providing facility for voting through remote e-voting, for participation in the 52nd AGM through VC/OAVM facility and e-voting during the AGM.

5. Since, the meeting is being conducted through VC/OAVM, facility of appointing proxies to attend and vote at the meeting on behalf of the members of the Company is not available and hence the proxy form is not annexed to this notice. However, Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

   Body Corporates who intend to authorize representatives to participate and vote on their behalf in the meeting to be held through VC/OAVM are requested to send, in advance, a duly certified copy of the relevant board resolution/letter of authority/power of attorney to the Scrutinizer by e-mail to arvindkohli@gmail.com and to the Company at cs@srf.com through its registered E-mail Address.

6. The attendance of members (members' login) attending the AGM through VC/ OAVM shall be reckoned for the purpose of Quorum under Section 103 of the Companies Act, 2013 and hence no attendance slip is attached to the notice.

7. Pursuant to the applicable provisions of the Companies Act 2013, unpaid/unclaimed dividends up to the financial year 2015-16, were transferred to the Investor Education & Protection Fund (IEPF). Besides the dividend so transferred, Company has also transferred the relative share scrips in respect of dividends which remained unpaid for a continuous period of seven years to the demat account of IEPF Authority, in accordance with the applicable provisions of Companies Act, 2013 and Rules made thereunder. It may be noted that once the unclaimed / unpaid dividend and/or shares are so transferred; the same can only be reclaimed by a shareholder from the IEPF Authority in accordance with the applicable provisions of the Companies Act 2013 and relevant Rules made thereunder by following the prescribed procedure in this regard. The IEPF Rules and the application Form (Form IEPF-5), as prescribed by the Ministry of Corporate Affairs, are available on the website of the Ministry of Corporate Affairs at www.iepf.gov.in. Details of the unpaid/unclaimed dividend and shares transferred to IEPF from time to time also have been uploaded on the "Investors Section" of the website of the Company viz. www.srf.com.

   Members, who have not encashed their dividend pertaining to financial year 2016-17 onwards, are advised to write at einward.ris@kfintech.com to M/s. Kfin Technologies Limited, Registrar of the Company immediately for claiming the same.

8. Members desiring any information/ clarification on the financial statements or any of the resolutions as detailed in the Notice are requested to write to the Company on or before June 23, 2023 through an E-mail to cs@srf.com, specifying his/her name along with Demat account details. The same shall be replied by the Company suitably.

9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which directors are interested under Section 189 of the Companies Act, 2013, ESPS Certificate by Secretarial Auditor dated May 09, 2023 that SRF Limited Long term Share based Incentives Plan, 2018 has been implemented in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in accordance with the resolutions of the company passed through Postal Ballot on March 26, 2018. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. June 30, 2023. Members can inspect the same by sending an E-mail to cs@srf.com.

10. Pursuant to the MCA Circulars and SEBI Circulars, the Notice of the 52nd AGM and the Annual Report for the financial year 2022-23 are being sent only by email to the Members whose name appear in the register of members/depositories as at closing hours of business on May 26, 2023. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.srf.com, websites of the Stock Exchanges, that is, BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of NSDL, the e-voting agency at www.evoting.nsdl.com. The physical copy of the Notice along with Annual Report shall be made available to the Member(s) who may request for the same in writing to the Company.

11. Those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 52nd AGM and the Annual Report for the year 2022-23 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

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

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

12. The Securities and Exchange Board of India ("SEBI") has mandated furnishing of PAN, KYC details (i.e., Postal Address with PIN Code, email address, mobile number, bank account details) and nomination details by holders of securities in prescribed forms. Effective from 1st January 2022, any service requests or complaints received from the member, are being processed by RTA on receipt of aforesaid details/ documents. On or after 1st October 2023, in case any of the above cited documents/ details are not available in the Folio(s), in terms of SEBI circulars, RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at https://www.srf.com/investors/investors-information/ and website of RTA at Investor Support Center | Kfintech.

13. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; and Transposition. Further SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated 18th May 2022 has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be. The said form can be downloaded from the website of the Company and RTA.

    Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

14. Nomination facility as per the provisions of Section 72 of the Act is available to individuals holding shares in the Company. Members can nominate a person in respect of all the shares held by him singly or jointly. Members holding shares in physical form and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the website of the Company and RTA. Members holding shares in electronic form may approach their respective DPs for completing the nomination formalities.

15. To prevent fraudulent transactions, members are advised to exercise due diligence and notify to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Company's Registrar of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

16. In case of joint holders attending the meeting, the members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and the provisions of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,read with MCA Circulars and SEBI Circulars, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 52nd AGM and facility for those Members participating in the 52nd AGM to cast vote through e-Voting system during the 52nd AGM.

II. The remote e-Voting period will commence on **June 27, 2023 (9:00 am IST) and end on June 29, 2023 (5:00 pm IST)**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **June 23, 2023**, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

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

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

Step 1 : Access to NSDL e-Voting system

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

Details on Step 1 is mentioned below:

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	**A. NSDL IDeAS facility** **If you are already registered for NSDL IDeAS facility** 1. Please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "**Beneficial Owner**" icon under "Login" which is available under "**IDeAS**" section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. **If the user is not registered for IDeAS e-Services,** 1. The option to register is available at https://eservices.nsdl.com. 2. Select "**Register Online for IDeAS**" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Upon successful registration, please follow steps given at Point 1 to 5 above. **B. e-Voting website of NSDL** 1. Visit e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to **e-Voting website of NSDL** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) **How to retrieve your 'initial password'?**

   (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

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

   a) Click on "**Forgot User Details/ Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

General Guidelines for shareholders

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

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

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/ Password?"** or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Pallavi Mhatre at evoting@nsdl.co.in.

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

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

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

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

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

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

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

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

5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@srf.com from June 25, 2023 (9:00 am IST) to June 27, 2023 (5:00 pm IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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

17. Any person who acquires shares of the Company and becomes member of the Company post-dispatch of Notice of AGM along with the Annual Report before the Cut-Off Date may obtain the login ID and password by sending a request **to** NSDL at evoting@nsdl.co.in **or** at Company's email address at cs@srf.com. However if they are already registered with NSDL for remote e-Voting then they can use their existing user ID and password for casting their vote. If they forgot their password, they can reset their password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com

18. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the Cut-off Date.

19. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories, as on the cut-off date, only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.

20. Mr. Arvind Kohli, (Membership No. FCS 4434, CP 2818) Practicing Company Secretary, Proprietor of M/s Arvind Kohli & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the entire e-voting process in a fair and transparent manner.

21. The results declared along with the report of the Scrutinizer shall be placed on the Company's website https://www.srf.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the concerned Stock Exchanges i.e. BSE and NSE.

22. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

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

Item No. 3

M/s. B S R & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 47th Annual General Meeting ('AGM') held on August 07, 2018 for a period of 5 years, up to the conclusion of 52nd AGM. M/s. B S R & Co. LLP are eligible for re-appointment for a further period of 5 years. M/s. B S R & Co. LLP have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. M/s. B S R & Co. LLP have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As confirmed to Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company and its subsidiary(ies) according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit. Based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to re-appoint M/s. B S R & Co. LLP, Chartered Accountants, having registration No. 101248W/W-100022, as the Statutory Auditors of the Company for the second and final term of five consecutive years from the conclusion of this 52nd AGM till the conclusion of the 57th AGM of the Company.

M/s. B S R & Co. LLP, Chartered Accountants, having registration No. 101248W/W-100022 have performed upto the expectations of the Board during their first term and hence, their appointment for the second term of 5 years is being recommended by the Board as set out at Item No. 3 of the Notice for approval by the Members by way of an Ordinary Resolution.

The Board of Directors has approved a remuneration of ₹ 1.65 Crores for conducting the audit for the financial year 2022-23, including reimbursement of out-of-pocket expenses on actuals. The remuneration proposed to be paid to the Statutory Auditors during their second and final term would be recommended by the Audit Committee, from time to time, and decided by the Board keeping in view the enhancement in the scope of work and other factors as may be applicable.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

Item Nos. 2 & 4

Shareholders had appointed Mr. Pramod Gopaldas Gujrathi (DIN 00418958) as Director (Safety & Environment) and Occupier of factories of the Company, w.e.f. April 01, 2020 for a term of three years. He is also the person in charge for the business of SRF Limited under Legal Metrology Act, 2009.

The Board of Directors on the recommendation of Nomination and Remuneration Committee had at its meeting held on 30.01.2023 re-appointed Mr. Pramod Gopaldas Gujarathi (DIN 00418958) for a period of 3 years with effect April 01,2023. Members' approval is sought to the re-appointment. The Company has received a notice under Section 160 from a member signifying his intention to propose the candidature of Mr. Gujarathi at the forthcoming Annual General Meeting, copy of which is available on the website of the Company www.srf.com.

The terms of appointment and remuneration including minimum remuneration proposed for Mr. Pramod Gopaldas Gujarathi (DIN 00418958) are fully set out in the resolution.

The information required by the Listing Regulations and Secretarial Standards on General Meetings is given below:

Mr. Gujarathi (71 years) is B. Tech. (Chemical Engineering) from IIT, Bombay having Post Graduate Diploma in Management Studies with a vast and rich experience of 44 years in the field of production, engineering, safety, environment, QA and R&D, etc. He had served as Director & Site Manager with Bayer Group for around eighteen years.

Keeping in view Mr. Gujarathi's rich and varied experience in the industry, health and safety matters, it would be in the interest of the Company to reappoint him as a Whole-time director designated as Director (Safety and Environment) and Occupier.

Mr. Gujarathi has no shareholding in the Company. He is Independent Director in Chemiesynth Vapi Ltd since May 2018 and is a Chairman of Nomination and Remuneration Committee and member of Audit Committee in Chemiesynth Vapi Ltd.

Approval of the members is sought to the appointment of Mr. Pramod Gopaldas Gujarathi (DIN 00418958) as Director (Safety & Environment) and Occupier of in terms of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013.

Except Mr. Gujarathi, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution. The Board of Directors recommends the Special Resolution set out at Item No. 4 of the Notice for approval of the members.

Item Nos. 5 to 7

The Company had, pursuant to the provisions of Listing Regulations and Companies Act 2013, appointed:

a. Ms. Bharti Gupta Ramola as Independent Director for a term of five years ending on February 03, 2024;

b. Mr. Puneet Yadu Dalmia as Independent Director for a term of five years ending on March 31, 2024; and

c. Mr. Yash Gupta as Independent Director for a term of five years ending on March 31, 2024.

The Nomination and Remuneration Committee and Board recommend to the shareholders the re-appointment of these directors as Independent Directors for a second term of 5 years.

Aforesaid non-executive Independent directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and are independent of the management.

Copies of the draft letters for re-appointment of Independent Directors setting out the terms and conditions of re-appointment are available on the website of the Company at www.srf.com.

The Company has also received notice under Section 160 of the Act from members proposing the candidature of the aforesaid Independent Directors.

Details of aforesaid Independent Directors pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standards ('SS-2') issued by the Institute of Company Secretaries of India are given below:

Ms. Bharti Gupta Ramola (DIN: 00356188)

Ms. Bharti Gupta Ramola (65) (DIN: 00356188) was a partner at PwC during 1984-2017. She was a part of the founding team of varied advisory businesses (Corporate Finance and Recovery, Project Finance, Sustainability) for PwC in India. She has worked across a range of industries, the government and development institutions. As an advisory partner, her primary focus was transactions and advice on private investment and finance raising for large complex projects to Indian and multinational organizations. She became PwC's India Market Leader and joined the management team in August 2011 focusing on building the brand and the institution. During this stint, she led the firm in identifying and seeding investment in technology led growth areas. She is member of the Audit Committee and Risk Management Committee of SRF Limited.

She holds a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad, and a Bachelor's Degree (Hons) in Physics from St Stephen's College, University of Delhi.

Ms. Ramola has no shareholding in the Company.

Directorships in other companies	Committee Membership
HDFC Life Insurance company Limited	Nomination & Remuneration Committee and Policyholders Protection Committee
TATA Steel Limited	Audit Committee and Safety, health and Environment Committee
Villgro Innovations Foundation (Non Profit Co,)	-

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

Keeping in view the vast experience of Ms. Ramola, the Board of Directors recommend the resolution for approval of the members by way of special Resolution set out at Item No. 5 of the Notice.

Mr. Puneet Yadu Dalmia (DIN: 00022633)

Mr. Puneet Yadu Dalmia (51) is B.Tech from IIT-Delhi and gold medalist M.B.A from IIM-Bangalore. Mr. Dalmia serves as the Managing Director of Dalmia Bharat Group and he has been driving force behind the exponential growth witnessed by this group in last decade. He has keen interest in education and serves as a Founder and Trustee of Ashoka University. He is member of Nomination & Remuneration Committee of SRF Limited.

Mr. Puneet Yadu Dalmia has no shareholding in the Company.

Directorships in other companies	Committee Membership
Dalmia Bharat Limited	
Foundation for Pluralistic Research and Empowerment	
International Foundation for research and Education	
RLJ Family Trusteeship Private Limited	
SKLNJ Family Trusteeship Private Limited	
RANDR Trustee Private Limited	
RRJ Family Trustee Private Limited	
Piramal Enterprises Limited	Audit Committee and Corporate Social Responsibility Report
Piramal Capital & Housing Finance Limited	Risk and Management Committee

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

In view of the Board, Mr. Dalmia would make useful contributions to the discussions and deliberations of the Board and therefore recommend the resolution for approval of the members by way of special Resolution set out at Item No. 6 of the Notice.

Mr. Yash Gupta (DIN: 00299621)

Mr. Yash Gupta (56 years) is MBA from Harvard Business School and BSc in Industrial Management from Carnegie Mellon University. Mr. Gupta has global work experience across Asia, US and Europe. Before founding YG Real Estate and BlueSky Ventures, he established and led Hines as its Country Head, India and Senior Managing Director. Previously, he has served as CEO at Silverglades - mid-sized residential developer, CEO at Doorvani Cables - wire & cable manufacturer, Senior Engagement Manager at McKinsey & Company and Staff Consultant at Price Waterhouse. In addition to his participation on several company boards, Mr. Gupta is South-Asia Chair, YPO Real Estate Network; Founding Board Member, HBS RE Alumni Association; Member RE Committees of FICCI and CII; Ex-chair USIBC Real Estate Executive Committee and Advisory Board Member, GRI. He is member of Nomination & Remuneration, Stakeholder Relationship Committee and Corporate Social Responsibility Committee of SRF Limited. Mr. Yash Gupta holds 3200 equity shareholding in the Company.

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

Directorships in other companies	Committee Membership
Pureearth Infrastructure Limited	_
Pawan Impex Private Limited	_

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

Keeping in view his vast experience in the field of consulting which can add value to the discussions and deliberations of the Board, his appointment is recommended for approval of the members by way of special Resolution set out at Item No. 7 of the Notice.

Item No. 8

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

In order to provide for resources for financing of capital expenditure requirements, re-financing of existing debt, general corporate purposes and such other purposes of the Company as are allowed by the applicable laws, the Company may be required to offer or invite subscription for secured/ unsecured redeemable non-convertible debentures, in one or more series/tranches on private placement. Further, SEBI circular dated November 26,2018, as amended, require that 25% of the incremental borrowings by a large corporate (as defined in that circular) during a financial year shall be met by way of issuance of debt securities in accordance with applicable SEBI regulations.

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

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

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

Item No. 9

As per the provisions of Regulation 24(1) of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("NCS Regulations") read with Regulation 15(1)(m) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, a debenture trustee is empowered to appoint a nominee director on the Board of the Company in the event of :-

(i) two consecutive defaults in payment of interest to the debenture holders; or

(ii) default in creation of security for debentures; or

(iii) default in redemption of debentures

Board at its meeting held on 09th May, 2023 had decided, subject to the approval by the shareholders, to insert a provision in the Articles of Association of the Company to appoint or accept nomination of Directors, nominated by the debenture trustee(s) as above.

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

A copy of the amended Articles of Association shall be placed on the website of the Company at www.srf.com.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution. In view of the above, the Board of Directors recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the members.

Item No. 10

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditors to conduct audit of the cost records of the Company for the financial year ending March 31, 2024 at the remuneration as provided in the resolution.

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

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

Both the cost auditors had rendered satisfactory service during their last tenure, therefore the Board of Directors recommend Ordinary Resolution set out at Item No. 10 of the Notice for approval by the members.

By Order of the Board of Directors

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

Date : May 09, 2023
Place : Gurugram

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

Board's Report

Dear Members,

Your Directors are pleased to present the 52nd Annual Report for the year ended March 31, 2023.

Financial Results

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	12,073.84	9,953.44	14,870.25	12,433.66
Other income	106.06	135.31	74.93	115.51
Total Income	**12,179.90**	**10,088.75**	**14,945.18**	**12,549.17**
Profit Before Interest, Depreciation & Tax (PBIDT)	3,300.12	2,668.72	3,604.13	3,218.71
Less: Interest & Finance Charge	175.82	94.45	204.82	115.93
Less: Depreciation and amortisation charge	468.44	419.23	575.32	517.23
Profit Before Tax (PBT)	2,655.86	2,155.04	2,823.99	2,585.55
Less: Provision For Taxation including Deferred Tax Charge	632.50	648.03	661.65	696.63
Profit After Taxation (PAT)	2,023.36	1,507.01	2,162.34	1,888.92
Add: Profit Brought Forward	5,841.95	4,551.58	6785.77	5,113.66
Total	**7,865.31**	**6,058.59**	**8,948.11**	**7,002.58**

F 134a Plant at Dahej, India

Appropriation

(₹ In Crores)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Interim dividend on Equity Shares	213.43	211.89	213.43	211.89
Other comprehensive income arising from re-measurement of defined benefit obligation	7.90	4.75	7.71	4.92
Amount transferred to Debenture Redemption Reserve	-	-		-
Profit carried to Balance Sheet	7,643.97	5,841.96	8,726.97	6,785.77

Operations Review

Total revenue from operations of the Company on standalone basis increased by 21.30% per cent from ₹ 9,953.44 Crores in 2021-22 to ₹ 12,073.84 Crores in 2022-23. The profit before interest, depreciation and tax (PBIDT) including 'other income' on a standalone basis increased from ₹ 2,668.72 Crores in 2021-22 to ₹ 3,300.12 Crores in 2022-23.

Profit before tax (PBT) from continuing operations on a standalone basis increased by 23.24% per cent from ₹ 2,155.04 Crores in 2021-22 to ₹ 2,655.86 Crores in 2022-23. After accounting for the provision for tax of ₹ 632.50 Crores, profit after tax (PAT) on continuing operations on a standalone basis increased by 34.26 per cent from ₹ 1,507.01 Crores in 2021-22 to ₹ 2,023.36 Crores in 2022-23

Total revenue from operations of the Company on consolidated basis increased by 19.60 per cent from ₹ 12,433.66 Crores in 2021-22 to ₹ 14,870.25 Crores in 2022-23. The profit before interest, depreciation and tax (PBIDT) including 'other income' on a consolidated basis increased from ₹ 3,218.71 Crores in 2021-22 to ₹ 3,604.13 Crores in 2022-23.

Profit before tax (PBT) from continuing operations on a consolidated basis increased by 9.22 per cent from ₹ 2,585.55 Crores in 2021-22 to ₹ 2,823.99 Crores in 2022-23. After accounting for the provision for tax of ₹ 661.65 Crores, profit after tax (PAT) on continuing operations on a consolidated basis increased by 14.47 per cent from ₹ 1,888.92 Crores in 2021-22 to ₹ 2,162.34 Crores in 2022-23.

Transfer to Reserves

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

Share Capital

During the year, the Board allotted 3,800 equity shares of ₹ 10/- each at par under Part B- SRF ESPS, 2018 of the SRF Long Term Share Incentive Plan, 2018 to an eligible employee on July 21, 2022.

In view of the above, the paid up share capital of the Company increased from ₹ 2,96,42,10,250 divided into 29,64,21,025 equity shares of ₹ 10/- each to ₹ 2,96,42,48,250 divided into 29,64,24,825 equity shares of ₹ 10/- each.

Non-Convertible Debentures

During the year, the Company redeemed Listed, Rated, Secured, Taxable, Redeemable Non-Convertible Debentures of ₹ 250 Crores on September 16, 2022.

Equity Dividend

During the year, your Company has paid two interim dividends of ₹ 3.60 per share each amounting to ₹ 213.43 Crores. The Board of Directors of the Company has not recommended any final dividend.

Management Discussion and Analysis

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

Business Responsibility and Sustainability Report

ESG Report for FY 2022-23 containing the Environment, Social and Governance Initiatives taken by the Company during the year forms part of the Annual Report. As stipulated under the Securities and Exchange Board of India (LODR) Regulations, 2015 ("Listing Regulations"), the Business Responsibility Sustainability Report has been prepared for 2022-23 and is presented along with the above ESG Report.

Subsidiaries, Joint Ventures and Associate companies

As on March 31, 2023, your Company had 7 (seven) wholly owned subsidiary companies out of which 2 (two) wholly owned subsidiary companies are registered in India and remaining 5 (five) are registered outside India. 3 (three) of these are direct wholly owned subsidiaries and rest 4 (four) are step-down wholly owned subsidiaries. The consolidated profit and loss account for the period ended March 31, 2023 includes the profit and loss account for these 7 (seven) wholly owned subsidiaries for the Financial Year ended March 31, 2023.

These subsidiaries are: -

1. SRF Global B.V. is a wholly owned subsidiary of the Company incorporated in the Netherlands. This entity is an SPV formed for the purpose of holding investments and mobilizing funds for the 4 (four) step-down subsidiaries of the Company.
2. SRF Industries (Thailand) Ltd. (a wholly owned subsidiary of SRF Global BV) is incorporated in Thailand engaged in the manufacture and distribution of packaging films. It is a material subsidiary determined in accordance with the policy on Material Subsidiary Companies.
3. SRF Flexipak (South Africa) (Pty) Ltd. (a wholly owned subsidiary of SRF Global BV) is incorporated in South Africa engaged in manufacture and distribution of packaging films.
4. SRF Industex Belting (Pty) Ltd. (a wholly owned subsidiary of SRF Global BV) is incorporated in South Africa presently in the business of trading in packaging films in South Africa and other neighbouring countries.
5. SRF Europe Kft (a wholly owned subsidiary of SRF Global BV) is incorporated in Hungary to undertake the manufacture of packaging films in Hungary.
6. SRF Holiday Home Ltd. is a wholly owned subsidiary of the Company incorporated in India. This company is engaged in the business of acquisition and renting of real estate properties.
7. SRF Altech Limited is a wholly owned subsidiary of the Company incorporated in India during the year. It shall engage in the business of manufacture of Aluminum foil.

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

No subsidiaries were divested during the year. No company has become/ceased to be a joint venture or associate during the year. A report on performance and financial position of each of the subsidiaries and associates is presented in a separate section in this Annual Report. Please refer (AOC-1) annexed to the financial statements in the Annual Report at page no. 394. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link:

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

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

Directors & Key Managerial Personnel

During the year, Mr. Ashish Bharat Ram was redesignated as Chairman and Managing Director and Mr. Kartik Bharat Ram was redesignated as Joint Managing Director wef April 1, 2022 by the members in their last Annual General Meeting held on July 21, 2022.

Mr. Vellayan Subbiah was appointed as a Non-executive and Non-Independent Director and Mr. Raj Kumar Jain was appointed as an Independent Director for a term of 5 years by the members in their last Annual General Meeting held on July 21, 2022.

The members of the Company at the 49th Annual General Meeting appointed Mr. Pramod Gopaldas Gujarathi as Director (Safety & Environment) and Occupier for a term of three years upto Match 31, 2023.

The Board has re-appointed Mr. Pramod Gopaldas Gujarathi for a period of 3 years wef April 1, 2023 subject to approval by shareholders through special resolution at the ensuing Annual General Meeting.

The Members of the Company at the 48th Annual General Meeting held on August 5, 2019 had appointed Ms. Bharti Gupta Ramola, Mr. Puneet Yadu Dalmia and Mr. Yash Gupta as Independent Director(s) of the Company. The present term of Ms. Bharti Gupta Ramola is ending on February 3, 2024 and terms of both Mr. Puneet Yadu Dalmia and Mr. Yash Gupta are ending on March 31, 2024.

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

The Board on the recommendation of Nomination and Remuneration Committee has recommended the proposals for reappointment of Ms. Bharti Gupta Ramola for a further period of 5 years w.e.f. February 04, 2024 and both Mr. Puneet Yadu Dalmia and Mr. Yash Gupta for a further period of 5 years each w.e.f. April 1, 2024 for approval of the shareholders through special resolution(s) at the forthcoming Annual General Meeting.

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

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

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

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

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link https://www.srf.com/wp-content/uploads/2022/04/Familarisation-programme_2022.pdf

During the year 2022-23, Five meetings of the Board of Directors were held. For further details, please refer to report on Corporate Governance on page no. 161 of this Annual Report.

Directors' Responsibility Statement

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

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

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

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

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

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

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

Contracts and Arrangements with Related Parties

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arms' length basis or as approved by the Audit Committee /Board in accordance with the requirements of the Companies Act and Listing regulations. These contracts/ arrangements/ transactions were entered in accordance with the Transfer Pricing Policy/ basis approved by the Audit Committee and/or in accordance with the Omnibus approval of the Audit Committee. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Policy on Materiality of Related Party Transactions. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 ('the Act') in Form No. AOC-2 is not applicable to the Company for FY 2022-23 and hence the same is not provided.

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

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

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

Corporate Social Responsibility (CSR)

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

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

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

As per the requirements of section 135 (5) of the Companies Act 2013, the CSR Obligation for FY 2022-23 was ₹ 28.56 Crores. The Board upon recommendations of CSR Committee approved the Annual budget of ₹ 28.63 Crores towards CSR expenditure which was duly spent during the year.

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

Risk Management

The company has a well-established risk management framework to identify, assess and frame a response to threats that can affect its business objectives and stakeholders. The risk management process consists of risk identification, risk assessment, risk prioritization, risk treatment or mitigation, risk monitoring and documenting the new risks.

The risks identified by the company broadly fall into the following categories viz. strategic risks, operational risks, regulatory risks, financial and reporting risks, IT & cyber risks, sectoral risks, and sustainability including ESG Risk.

Further, to oversee key risks and assist in efficient management of risk management process, the Board has constituted a Risk Management Committee consisting of Mr. Ashish Bharat Ram as Chairman, Mr. Kartik Bharat Ram and Ms. Bharti Gupta Ramola as members of the Committee. In the opinion of your Board, none of the risks which have been identified may threaten the existence of the Company.

Internal Financial Controls

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

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

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

Significant features of these control systems include:

- the planning system that ensures drawing up of challenging goals and formulation of detailed strategies and action plans for achieving these goals.
- the risk assessment system that accounts for all likely threats to the achievement of the plans and draws up contingency plans to mitigate them.
- the review systems track the progress of the plan and ensure that timely remedial measures are taken, to minimise deviations from the plan.

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

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

Listing of Equity Shares

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

SRF Limited Long term Share based Incentives Plan, 2018

During the year, 3,800 equity shares were allotted under Part B- SRF ESPS, 2018 of the SRF Long Term Share Incentive Plan, 2018 to an eligible employee. There has been no change in the said Plan which was approved by the shareholders through postal ballot February 26, 2018. The said Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The disclosures prescribed under the said Regulations are given below:

a. In terms of the "Guidance Note on accounting for employee share based payments" issued by ICAI and Ind AS 102, note no. 34 on Employee Share Based Payments forms part of the notes to standalone annual accounts appearing on page no. 263 of the Annual Report 2022-23. Note No. 1.B.17 forming part of the Accounting Policies which refers to this is also appearing on page no. 213 of the Annual Report 2022-23.The same are also reproduced in the "Investors Section" of the website (www.srf.com). The weblink for the same is https://www.srf.com/investors/corporate-governance/

b. During financial year 2018-19, 2021-22 and 2022-23 shares under Part B- SRF ESPS, 2018 of the SRF Long Term Share Incentive Plan, 2018 were issued directly to the eligible employees as decided by the Board/Nomination and Remuneration Committee of the Company. Basic and diluted EPS for 2022-23 was ₹ 68.26 per Share.

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

Certificate from the Secretarial Auditors of the Company dated May 09, 2023 that SRF Limited Employees Long term Share Based Incentive Plan, 2018 has been implemented in accordance with these regulations and in accordance with the resolution of the company shall be placed in the forthcoming Annual general meeting.

Dividend Distribution Policy

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

Corporate Governance

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

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

All Board members and Corporate Leadership Team (CLT) have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by the Chairman and Managing Director is enclosed as a part of the Corporate Governance Report. A copy of the Code is also placed at the website of the Company at https://www.srf.com/wp-content/uploads/2020/11/Code-of-Conduct-for-Directors-and-Senior-Management-Personnel.pdf

Consolidated Financial Statement

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

Audit Committee

As on date, the Audit Committee comprises of Independent Directors namely, Mr. Lakshman Lakshminarayan (Chairman of the Committee) Ms. Bharti Gupta Ramola and Mr. Raj Kumar Jain as other members. All the recommendations made by the Audit Committee were accepted by the Board. During the year Mr. Vellayan Subbiah ceased to be as the member of Audit Committee w.e.f closing of business hours of 9th May 2022 and Mr. Raj Kumar Jain was appointed as Member of the Audit Committee w.e.f May 10, 2022.

Accounts and Audit

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

It is proposed to re-appoint BSR & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) as Statutory Auditors for 5 years from the forthcoming annual general meeting till the conclusion of 57th annual general meeting. Their re-appointment shall be as per the provisions of the Companies Act, 2013 and rules made thereunder. They have submitted their certificate to the effect that they fulfil the requirements of Section 141 of the Companies Act, 2013.

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

Vigil Mechanism

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

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

Cost Audit

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

M/s. H. Tara & Co., Cost Accountants, was appointed to conduct cost audit of the accounts maintained by the Company for the financial year 2023-24 in respect of all the relevant product groups of Technical Textiles Business and other Businesses of the Company.

M/s. Sanjay Gupta & Associates, Cost Accountant, was appointed to conduct cost audit of the accounts maintained by the Company for the financial year 2023-24 in respect of all the relevant product groups of Chemicals Business and Packaging Films Business of the Company.

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

The remuneration of the cost auditors for financial year 2023-24 is subject to ratification by the shareholders. Accordingly a suitable item has been included in the notice of the ensuing annual general meeting.

The Cost Audit reports for audit of the said products for the financial year 2021-22, conducted by M/s. H. Tara, Cost Accountants (M. No. 17321) and M/s Sanjay Gupta & Associates, Cost Accountants (M. No. 18672), have been filed with the Ministry of Corporate Affairs on August 17, 2022. The due date for filing was August 20, 2022.

Secretarial Auditor

The Board has appointed M/s Sanjay Grover & Associates, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed herewith as Annexure V to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, Secretarial Compliance Report dated May 9, 2023 issued as per regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 was given by M/s Sanjay Grover & Associates, Practising Company Secretary which was submitted to Stock Exchanges.

Reporting of Fraud

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

Personnel

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

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

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

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

Annual Return

The Annual Return (MGT-7) of the Company as on March 31, 2023 is available on the following web link: https://www.srf.com/investors/corporate-governance/

Industrial Relations

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

Secretarial Standards

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

General

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

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

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

Acknowledgements

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

For and on Behalf of the Board

Ashish Bharat Ram
Chairman & Managing Director
(DIN – 00671567)

Date: May 09, 2023
Place: Gurugram

Annexure I to Board's Report

Nomination, Appointment and Remuneration Policy

A. Introduction

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

B. Definitions

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

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

C. Terms of Reference

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

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

D. Criteria for recommending a person to become Director

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

1. **Qualification & Experience**

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

2. **Attributes/Qualities**

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

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

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

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

E. Directors' Remuneration

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

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

F. Evaluation

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

a) **Performance evaluation of all individual Directors:** It shall be done annually by the Nomination and Remuneration Committee (NRC) as per the structure of performance evaluation (as per Annexure I & II & III). The outcome of the evaluation shall be shared by the Chairman of NRC with the Board.

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

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

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

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

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

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

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

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

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

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

G. Board Diversity

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

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

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

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

Remuneration Structure

i) Key Managerial Personnel and Senior Management Personnel,

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

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

ii) Other Employees

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

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

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

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

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

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

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

Annexure - I

Performance Evaluation of Executive Directors

Name of Director :

Type of Directorship : Executive Director

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

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

Name of Director : ....

Signature : ....

Date & Place : ....

Annexure - II
Performance Evaluation of Independent Directors

Name of Director :

Type of Directorship : Independent Director

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

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

Name of Director : ....

Signature : ....

Date & Place : ....

Annexure - III
Performance Evaluation of Non-executive & Non-Independent Directors

Name of Director :

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

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

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

Name of Director : ....

Signature : ....

Date & Place : ....

Annexure - IV
Performance Evaluation of the Board

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

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

Name of Director : ....

Signature : ....

Date & Place : ....

Annexure - V
Performance Evaluation of the Committees

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

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

Name of Director : ....

Signature : ....

Date & Place : ....

Annexure - VI
Performance Evaluation of Chairman

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

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

Name of Director : ....

Signature : ....

Date & Place : ....

For and on Behalf of the Board

Ashish Bharat Ram
Chairman & Managing Director
(DIN – 00671567)

Date: May 09, 2023
Place: Gurugram

Annexure II to the Board’s Report

Annual Report On CSR Projects As On March 31, 2023

1. Brief outline on CSR Policy of the Company

As per the requirement of Section 135 of the Companies Act, 2013, the Company had laid down a CSR Policy under which the Company had identified projects as per the Schedule VII of the Act in the following areas for the year 2022-23: -

- **Promotion of Health Care (i):** Focusing on prevention and curative health care and to improving the quality of health facilities of Government health center. Empowering Government Anganwadi centers to reduce the incidence of mortality, morbidity, malnutrition.
- **Promotion of Quality Education & Vocational Skills (ii):** Improving Quality of Education and Developing School infrastructure of Govt. Schools. Focusing on imparting appropriate skills as per the market and industry needs and providing a platform to the youth trained to be gainfully self-employed or linking them with potential employers to increase their employability and livelihood.
- **Ensure Environmental Sustainability (iv):** Plantation, Awareness Creation – Water Conservation, Ground Water Recharge, Research, Waste Recycling
- **Promotion of Art and Culture (v):** Lecture cum demonstration session on classical music, dance, folk form, etc.
- **Promotion of Sports (vii):** Training to promote rural sports, nationally recognized sports, paralympic and Olympic sports.
- **Disaster Management (xii):** Relief and rehabilitation, livelihoods support, R&D, COVID awareness and response, vaccination etc.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Kartik Bharat Ram	Chairman	2	2
2.	Mr. L. Lakshman	Member	2	2
3.	Mr. Yash Gupta	Member	2	1

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

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

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

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

During 2020-21, SRF provided a contribution of ₹ 1 Crores to the International Foundation of Research and Education (Ashoka University) to promote education. In accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 CSRBOX has conducted impact assessment for the said project.

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

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Crores)	Amount required to be set- off for the financial year, if any (₹ in Crores)
1	2020-21	-	-
2	2021-22	-	-
3	2022-23	-	-
	TOTAL	**-**	**-**

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

₹ 1,427.98 Crores

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

₹ 28.56 Crores

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

Nil

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

Nil

(d) Total CSR obligation for the financial year (7a+7b- 7c): 2022-23

₹ 28.56 Crores

8. (a) CSR amount spent or unspent for the financial year: 2022 - 23

Total Amount spent for the Financial Year. (₹ in Crores)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
28.63	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: 2022-23

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

(c) Details of CSR amount spent against other than ongoing projects for the financial year: 2022-23

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in Crores)	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration number
1	Rural Education Program	(ii)	Yes, except Kamrup, Assam	Gujarat, Madhya Pradesh, Rajasthan, Tamil Nadu, Haryana, Uttarakhand and Assam	Bharuch, Bhopal, Dhar, Bhind, Bhiwadi, Thiruvallur, Chennai, Pudukottai, Mewat, Kashipur and Kamrup (M)	10.28	No	SRF Foundation	CSR00000733
2	Vocational Skills Program	(ii)	Yes, except Bengaluru, Karnataka	Gujarat, Madhya Pradesh, Rajasthan, Tamil Nadu, Haryana, Uttarakhand, Uttar Pradesh and Karnataka	Bharuch, Gwalior, Dhar, Bhind, Bhiwadi, Thiruvallur, Chennai, Mewat, Kashipur, Noida and Bengaluru	1.08	No	SRF Foundation	CSR00000733
3	Environment Programs	(iv)	Yes	Gujarat, Rajasthan	Bharuch, Bhiwadi	0.36	No	SRF Foundation	CSR00000733
4	SRF Vidyalaya, Gurugram	(ii)	Yes	Haryana	Gurugram	3.75	No	SRF Foundation	CSR00000733
5	SRF Vidyalaya, Manali	(ii)	Yes	Tamil Nadu	Chennai	7.67	No	SRF Foundation	CSR00000733
6	Promotion of Health Care	(i)	Yes	Madhya Pradesh, Gujarat	Bharuch, Nalcha, Dhar, Khargone, Barwani, Khandwa, Dewas, Indore, Shajapur, Ujjain	1.08	No	SRF Foundation	CSR00000733
7	Promotion of Olympic Sports	(vii)	Yes	Delhi	Delhi	0.40	No	The Delhi Golf Club	CSR00002962
8	Other CSR Projects								
8A	Disaster Management	(xii)	No	Odisha, Assam	Balasore, Kendrapara	0.56	No	SRF Foundation	CSR00000733
8B	Education	(ii)	Yes	Delhi, Rajasthan	Delhi, Bagar	0.60	No	SRF Foundation	CSR00000733
8C	Health	(i)	No, except Delhi & Tamil Nadu	Delhi, Assam, West Bengal, Gujarat, Karnataka, Tamil Nadu, Goa, Andhra Pradesh, Rajasthan, Maharashtra, Jammu & Kashmir, Uttar Pradesh	Delhi, Gauhati, Kolkata, Ahmedabad, Vadodara, Bengalore, Chennai, Delhi, Goa, Hyderabad, Jaipur, Kolkata, Jaipur, Kolkata, Mumbai, Pune	0.62	No	SRF Foundation	CSR00000733
8D	Sports Development	(vii)	Yes	Delhi	Delhi	0.29	No	SRF Foundation	CSR00000733
9	Promotion of Art & Culture	(v)	No	Pan India	-	1.92	No	SRF Foundation	CSR00000733
	TOTAL					**28.60**			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: ₹ 0.03 Crore

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 28.63 Crores

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

Sl. No.	Particular	Amount (₹ in Crores)
(i)	Two percent of average net profit of the company as per section 135(5)	28.56
(ii)	Total amount spent for the Financial Year	28.63
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.07
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.07

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (₹ in Crores)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in Crores)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2020-21	-	-	Clean Ganga Fund	0.37	Sep 28, 2021	0.00
2	2021-22	-	-	-	-	-	-
3	2022-23	-	-	-	-	-	-

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing

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

(a)	**Details of Capital Assets**	Mobile Health Van	SRF Vidyalaya Building, Gurgaon	SRF Vidyalaya, Manali
(b)	**Date of creation or acquisition of the capital asset (s)**	March 17, 2023	March 31, 2023	March 23, 2023
(c)	**Amount of CSR spent for creation or acquisition of capital asset**	23,60,190/-	3,43,62,563/-	7,66,95,710/-
(d)	**Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.**	SRF Foundation	SRF Foundation	SRF Foundation
(e)	**Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):**	D-2/1, Dahej – II, Dahej Industrial Estate, Bharuch, Gujarat – 392 130	SRF Vidyalaya, Block-Q, Sector 40, South City – I, Gurgaon, Haryana – 122 001	Manali Village, Thiruvottiyur taluk, Tiruvallur District, Tamil Nadu - 600 103

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

There was no unspent amount reported.

Date: May 09, 2023
Place: Gurugram

Sd/-
Ashish Bharat Ram
Chairman & Managing Director

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

Annexure III to the Board's Report

ESPS Disclosures

Details related to ESPS

(i) Details of allotments made under **Part-B of SRF ESPS 2018 of SRF Limited (SRF) Employees Long Term Share Based Incentive Plan – 2018** during the financial year 2022-23:

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

(b) Number of shares issued: **3,800**

(c) The price at which such shares are issued: **10**

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

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

Particulars	Details of Allotment during FY 2018-19	Details of Allotment during FY 2021-22	Details of Allotment during FY 2022-23
The details of the number of shares issued under ESPS	60,000#	1,95,000	3800
The price at which such shares are issued	₹ 10/-	₹ 10/-	₹ 10/-
Employee-wise details of the shares issued to			
i) senior management" as defined under regulation 16(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015			
Mr. Prashant Yadav, President & CEO (FCB & TTB)	20,000 Shares	55,000 shares	-
Mr. Prashant Mehra, President & CEO (PFB, LF & CF)	20,000 Shares	55,000 shares	-
Mr. Anurag Jain, President & CEO (SCB & CTG)	20,000 Shares	55,000 shares	-
Mr. Rahul Jain, President & CFO	-	15,000 shares	3800 shares
Mr. Sanjay Rao, President & CIO	-	12,500 shares	-
Mr. Ajay Chowdhury, President & CHRO	-	2,500 shares	-
ii) any other employee who is issued shares in any one year amounting to 5% or more shares issued during that year;	None	None	None
(iii) identified employees who were issued shares during any one year equal to or exceeding 1% of the issued capital of the company at the time of issuance	None	None	None
Consideration received against the issuance of shares, if scheme is implemented directly by the company	₹ 6,00,000	₹ 19,50,000	₹ 38,000
Loan repaid by the Trust during the year from exercise price received	NA	NA	NA

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

Details related to Trust

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

(i) General information on all schemes:

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

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

(a) Number of shares held at the beginning of the year;: NIL

(b) Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;: NIL

(c) Number of shares transferred to the employees / sold along with the purpose thereof : NIL

(d) Number of shares held at the end of the year.: NIL

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

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

For and on Behalf of the Board

Ashish Bharat Ram
Chairman & Managing Director
(DIN – 00671567)

Date: May 09, 2023
Place: Gurugram

Annexure IV to the Board's Report

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

TO

THE MEMBERS OF SRF LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 6th May 2023

2. We have examined the compliance of conditions of Corporate Governance by SRF Limited ("the Company"), for the year ended March 31, 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

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

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2023.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

Restriction on use

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Kaushal Kishore
Partner
Membership Number:
UDIN: 23090075BGYUKS6201

Place: New Delhi
Date: May 9, 2023

Annexure V to the Board's Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2023

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SRF Limited** (hereinafter called "the Company") for the financial year ended March 31, 2023. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that-

a) Maintenance of secretarial records are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit and we adhered to best professional standards and practices as could be possible while carrying out audit.

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

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

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2023 according to the provisions of:

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

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

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

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

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

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

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

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

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 {Not applicable during the audit period};

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

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 {Not applicable to the Company during the audit period};

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

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

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

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

(vi) The Company is engaged in manufacturing of **Chemicals & Other Businesses** plants located at Alwar, Rajasthan; Bharuch, Gujarat, Udham Singh Nagar, Uttarakhand and Thiruvallur, Tamil Nadu; **Technical Textiles** plants at Manali, Tamil Nadu; Bhind, Madhya Pradesh; Thiruvallur, Tamil Nadu and Pudukottai, Tamil Nadu; and **Packaging Films** plants at Udham Singh Nagar, Uttarakhand and Indore and Dist. Dhar, Madhya Pradesh. As informed by the management, following are some of the laws specifically applicable to the Company: -

- Narcotics Drugs and Psychotropic substance Act, 1985;
- Legal Metrology Act, 2009;
- SEZ Act, 2005 and SEZ Rules, 2006;
- The Chemical Weapons Convention Act, 2000.

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

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

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

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

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

We further report that during the audit period, the members of the Company at their 51st Annual General Meeting held on July 21, 2022 passed a special resolution under Sections 42, 71, 179 and other applicable provisions of the Companies Act, 2013 to issue, offer or invite for secured/ unsecured redeemable non-convertible debentures in one or more tranches, aggregating upto ₹ 1,500 Crores (Rupees Fifteen Hundred Crores Only) on private placement basis.

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

Kapil Dev Taneja
Partner
CP No.: 22944
Mem. No. F4019
UDIN: F004019E000277127

Place: New Delhi
Date: May 9, 2023

Annexure VI to the Board 's Report

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

(i) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary and CEO during the financial year 2022-23 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under:

S. No.	Name of Director/KMP and Designation	% Increase in Remuneration in the Financial Year 2022-23	Ratio of remuneration of each Director to median remuneration of employees
1	Ashish Bharat Ram Chairman and Managing Director	67.46%	395.70
2	Kartik Bharat Ram Joint Managing Director	73.11%	400.08
3	Pramod G Gujarathi Director (Safety and Environment) and Occupier	5.75%	4.26
4	Tejpreet S Chopra Non-Executive Director	(1.43%)	3.83
5	Lakshman Lakshminarayan Non-Executive Director	10.82%	3.98
6	Vellayan Subbiah Non-Executive, Non-Independent Director	(0.53%)	3.50
7	Bharti Gupta Ramola Non-Executive Director	11.40%	3.98
8	Yash Gupta Non-Executive Director	(3.77%)	3.78
9	Puneet Dalmia Non-Executive Director	3.76%	3.57
10	Raj Kumar Jain[1] Non-Executive Director	NA	3.72
11	Prashant Mehra President & CEO (Packaging Films Business, Coated Fabric & Laminated Fabric)	39.59%	Not Applicable
12	Prashant Yadav President & CEO (Fluorochemicals Business and Technical Textile Business)	39.72%	Not Applicable
13	Anurag Jain President & CEO (Speciality Chemicals Business and CTG)	41.58%	Not Applicable
14	Rahul Jain[2] President & CFO	39.88%	Not Applicable
15	Rajat Lakhanpal Sr. VP - Corporate Compliance and Company Secretary	25.27%	Not Applicable

(ii) The median remuneration of employees of the Company as on March 31, 2023, was ₹ 0.054 Crores as compared to ₹ 0.050 Crores as on March 31, 2022. The increase in median remuneration was 8.12% as compared to 2021-22.

(iii) There were 7171 permanent employees on the rolls of the Company as on March 31, 2023.

(iv) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2022-23 and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Category	Average Increase
Employees' remuneration (other than Directors)	11.44%
Managerial remuneration (Directors)3	14.09%

The increase in managerial remuneration and remuneration of other employees is a function of many factors such as company performance, compensation philosophy, market competitiveness, local agreements with unions and the total number of employees.

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

Notes:

For the purposes of calculation of remuneration, the Gratuity amount calculated has been taken as per actuarial data. i.e., the difference between the gratuity provision as on March 2023 and March 2022. This was taken at 5% of basic salary till the last year.

Other Notes:

[1]Non-Executive Director appointed on May 9, 2023.

[2]Remuneration excludes perquisite value of shares issued under Part B- SRF ESPS, 2018 of the SRF Long Term Share Incentive Plan, 2018 during the previous year and the current year and tax paid thereon by the company. The percentage increase in remuneration including the above is given below:

Name	Designation	% Increase in Remuneration in the Financial Year 2022-23
Rahul Jain	President & CFO	(36.3%)

[3]Average increase is calculated basis the remuneration of Directors published last year.

For and on Behalf of the Board

Ashish Bharat Ram
Chairman and Managing Director
(DIN – 00671567)

Date: May 9, 2023
Place: Gurugram

Annexure VII to the Board's Report

Conservation of Energy – Measures taken:

1. **SCB Bhiwadi**
   - Savings of 96.7 MT of steam (₹ 3 Lacs) by controlling steam pilferage
   - Savings of 676 MWH (₹ 68 Lacs) due to better energy management in equipment
   - Water conservation of 5 KL/day (~₹ 0.3 Lacs/annum) by various water saving & control measures implemented at site
   - HSD saving of 1KL/day (~₹ 0.3 Lacs/annum) with process optimization techniques

2. **SCB Dahej**
   - Saving of 2204 MWH (~₹ 198 Lacs/annum) by modification of Brine chillers
   - Saving of 570 MWH (~₹ 51 Lacs/annum) by improvement in Water chiller
   - Saving of 276 MWH (~₹ 25 Lacs/annum) by improving power factor
   - Saving of 47 MWH (~₹ 4.2 Lacs/annum) by usage of better efficiency motors
   - Savings of 53 MWH (~₹ 4.8 Lacs/annum) by installing energy efficient lights
   - Savings of 22 MWH (~₹ 2 Lacs/annum) due to timer automation in the plant
   - Savings of 457 MWH (~₹ 41 Lacs/annum) by operating UPS in ECO-Mode
   - Water conservation of 160 KL/day (~₹ 36.7 Lacs/annum) by using of recycled water in cooling towers

3. **FCB Bhiwadi**
   - Saved 74.8 MT of LSHS by recovering waste heat of exhaust in Hot Air Generator (HAG) in AHF Plant.
   - Saved 0.93 lac unit of electricity by optimization through VFD all the plants.
   - Saved 0.2 lac units of electricity by modifying the gland-technique of cooling water pumps with mechanical seal arrangement resulting in reduction of the power load on motors.
   - Saved 0.3 lac units of electricity by reducing the office load from centralized system and transferring it to more controllable Split Air conditioners in plant buildings.
   - Saved 0.25 lac units of electricity by installing high efficiency motors in place of old conventional efficiency class motors.
   - Saved 0.08 lac units of electricity by replacing old conventional luminaires with new LED luminaires.

4. **FCB Dahej**
   - Saved 4.89 lac units of electricity by optimizing the size of expansion valve.
   - Saved 2.19 lac units of electricity by optimizing compressor load.
   - Saved 0.90 lac units of electricity through installation of LDR switch/timer in plant lighting and replacing conventional light with LED light.
   - Saved 0.78 lac units of electricity by installing energy efficient fan in cooling tower.
   - Saved 3.93 lac units of electricity by installing modulator which resulted in maintaining steady pressure.
   - Saved 2 lac units of electricity by installing level switch in ETP which resulted in ETP pump operating at optimum load.
   - Saved 1.48 lac units of electricity by installing VFD in process gas compressor.
   - Saved 1.45 lac units of electricity by replacing old motors with energy efficient motors.

5. **Packaging Film Business, Indore (SEZ)**
   - Saved 5,77,500 KWH/annum through stoppage of 600 TR Cooling tower fan & pumps by improving performance of 1200 M3/Hr Cooling Tower & merging of their headers.
   - Saved 98120 KWH/annum through stoppage of Line I Gravure roll cooling water pumps, Extruder Cooling Pumps, Torque Motor Cooling water pumps by utilizing spare cooling capacity from Close Loop Cooling Tower of Line I.
   - Saved 63,000 KWH/annum Chilled Waterpower for Line-1 Main extruder screw by modification in main extruder screw pipeline.
   - Saved 3,60,000 KWH/annum by converting Line I Main & Co-extruder conveying system from dense phase (compressed air system) to lean phase (root blower system).
   - Saved 1,35,000 KWH/annum by converting Resin conveying system from dense phase (compressed air system) to lean phase (root blower system).

6. **Packaging Films Business, Kashipur**
   - Saving of 94,608 KWH/annum through Installation of VFD on circulation pumps and FD fan.
   - Saving of 450 KWH/annum by replacing all florescent lamps with LED.
   - Saving of 2,220 KWH/annum by partially sharing Close Loop Cooling Tower load for metallizer in place of refrigerant load.

7. **Coated Fabrics Business**
   - DOP Blower motor 45 KW, Pulley and Belt changed, leading to saving of 12,600 units / annum.
   - Cooling Tower Motor 55KW VFD provided for Energy savings, leading to saving of 84000 units / annum

8. **Laminated Fabrics Business, Kashipur**
   - Saved 62.2 MT/annum of furnace oil by utilizing heat of husk fired thermic fluid heater of Unit1 by install new heat exchanger at unit 2.
   - Saved 99,000 Kwh/annum electric energy by Converting Cold Lamination Line CL-2 into swing Semi–Hot Lamination Line.
   - Saved 8760 Kwh/annum electric power by installing Transparent Polycarbonate Roofing Sheet at the Lamination & calender Machines shop floor to utilize daylight in place of electric lights.

9. **Technical Textile Business – Gwalior**
   - Savings 656 MWH by Installation of Energy Efficient Chiller,
   - Savings 167 MWH by Installation of Energy Efficient Pumps (6 nos.)
   - Savings 15 MWH by Reduction in refrigeration power by replacing Chilled water coils of twisting air washer in Mar'23.
   - Reduction in LNG consumption by providing magnetic resonator and optimizing start up time.

10. **Technical Textile Business – Manali**
    - Savings of 226 MWH by installation of latest technology Electronic commuted fans for Air Handling Units instead of conventional fan
    - Saving of 1,188 MWH in chiller power by utilization of Energy efficient chillers (Specific power consumption reduction from 0.76 kwh/TR to 0.523 kwh/TR).
    - Saving of 22.8 MWH Installation of Energy efficient fan at Mcquay cooling tower 3rd cell.

11. Technical Textile Business – Gummidipoondi

- Savings of 734 MWH by Optimization of chiller and auxiliary operations resulting into a saving of chiller power
- Savings of 61MWH by Improvement in SPC of compressed air from 0.137 kwh/Nm3 to 0.135 kwh/Nm3
- Savings of 382MWH by EC fans installation in weaving, PIY panel room Air handling units & optimized running pattern of supply and return air fans based on head load and ambient conditions

12. Technical Textile Business – Viralimalai

- Saving of 31.58 MWH achieved by optimization of motors efficiency.
- Saving of 3.77 MWH by optimization of lighting system

Capital Investment on Energy Conservation Equipment:

SCB Bhiwadi:

- VFD provision and piping\equipment modifications: ₹ 7.5 Lacs
- High Energy efficient steam traps for high steam consuming equipment: ₹ 1.2 lacs

SCB Dahej:

- Installation of timer automation in plant: ₹ 2 Lacs
- Replacement of 250W CFL by LED lights: ₹ 1.5 Lacs
- Installation of IE3 Motors in plant: ₹ 5.2 Lacs

PFB SEZ:

- Upgradation of BOPET Line I with high ratings of motors, new Torque motors & latest Siemens drives, Sinamics software & Scada system: ₹ 2,653.96 Lacs
- Metallizer I Upgradation: ₹ 67.06 Lacs
- Water treatment infrastructure for de-metallization process wastewater: ₹ 49.31 Lacs
- Upgradation of EREMA screen changer Line I: ₹ 130.08 Lacs
- Installation of 12 MM band pinning band system for line 2: ₹ 72.30 Lacs

PFB DTA:

- IOT on Chiller and Compressor for improvement of efficiency through running optimization: ₹ 32.12 Lacs
- BOPET Line upgradation: ₹ 340.66 Lacs
- Piping infrastructure for utilization of PNG in Hypox filter cleaning system to replace unsafe LPG cylinders utilization: ₹ 4.78 Lacs

TTBM:

- Installation of 3.085 MWp -DC Solar Power plant ₹11.19 Cr
- Replacement of old Trane chiller with an energy efficient new 1000tr chiller ₹1.75Cr

TTBG:

- Installation of 1.28 MWp-DC Solar Power Plant ₹ 4.54 Cr
- Installation of Energy efficient mono block fans for return air fans of twisting air washer plant 1& 2 ₹ 0.70 Cr
- Installation of energy efficient chiller-1 no. ₹ 1.56 Cr
- Installation of ash handling system at coal boiler ₹ 0.59 Cr

TTBT:

- Installation of 3.4 MWp-DC Solar Plant ₹ 11.53 Cr

TTBV:

- Installation of 0.7 MWp-DC Solar Plant ₹ 2.80 Cr

Technology Absorption (FY2022-23)

In the rapidly evolving world of Specialty Chemicals, the Business continues to focus on technology development and deployment as a key component of its growth strategy. During the year, there were several exciting opportunities for innovation and expansion in the Specialty Chemicals space.

To capitalize on these opportunities, the Business invested in technology absorption initiatives that enhanced product offerings, improved efficiency, and reduced environmental footprint. The Business invests in the inhouse R&D to develop new and innovative products in Pharma and Agrochemicals segments that meet the evolving needs of the customers. The in-house R&D efforts are focused on advanced intermediates, sustainable technologies, and reliable supply chains that enhance the product quality, reduce costs, and improve competitiveness.

The Business continues to focus on the latest manufacturing technologies and practices to optimize production processes and increase efficiency. This includes implementing automation and digitization initiatives to streamline operations, as well as investing in new equipment and infrastructure to continue on the growth journey.

SRF is committed to reducing the environmental footprint. During the year, investment in technologies were done to enable waste minimization, reduce energy consumption, and improve the sustainability of the products. The Business witnessed increased demand for its key products apart from catering to the developmental needs of the new intermediate products. To cater to this demand, the Business invested in the best technologies to augment the assets in both dedicated and flexible manufacturing facilities at its sites at Bhiwadi and Dahej.

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

- Improvements in processes in reducing, recycling and reusing resources
- Development of novel cost-effective routes for both new and existing products
- Strengthening the value chain by producing some RMs in-house
- Improving capacities and in-process norms
- Focus on automation to improve process robustness and costs
- Strong emphasis on waste generation minimization and ensuring process safety

The Business is committed to continuous technological innovation and advancement to meet the evolving needs of the customers and contribute to a sustainable future. The absorption of new technologies is targeted to expand the product portfolio, improve processes, and enhance the sustainability of operations. The Business would continue its efforts to maintain its leadership position in the specialty chemicals market and deliver long-term value to the stakeholders.

C) Foreign exchange earnings and outgo

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2023
Foreign Exchange Earnings	4,614.26	6,035.65
Foreign Exchange outgo	3,114.78	3,487.15
Net Foreign Exchange Earnings	1,499.48	2,548.50

For and on Behalf of the Board

Ashish Bharat Ram
Chairman & Managing Director
(DIN – 00671567)

Date: May 9, 2023
Place: Gurugram

MANAGEMENT DISCUSSION & ANALYSIS

In the following pages, the Management will provide its perspective on the operating and financial performance of the Company during FY23 and an outlook of the business performance in the coming years.

Businesses

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

Technical Textiles Business

Despite challenges, FY23 has been a stable year for the Technical Textiles Business. In the first half of the year, the TTB witnessed the easing of global supply chain issues. However, the Business faced headwinds in H2 due to cheap imports from China, which impacted business results.

Tyre Cord Fabrics (TCF)

The demand for Nylon Tyre Cord Fabric (NTCF) remained weak during the year due to several factors, including impact of increased radialisation in commercial vehicle Original Equipment (OE) segment, decline in two-wheeler tyre sales, and high imports. In addition, exports were impacted due to unfavourable economic situation in Sri Lanka & Bangladesh.

Having said that, the Business was able to partly offset the drop in NTCF sales volumes with a successful foray into Nylon Yarn sales in the domestic and overseas markets.

In terms of the environmental and social responsibility initiatives, the Business commissioned solar power plants, totalling a capacity of 8.5 MWp, further supporting sustainability and cost reduction.

Belting Fabrics (BF)

With healthy growth witnessed in core sectors of coal, steel, cement, and power generation, the demand for Belting Fabrics was strong during the year, registering record production and sales. While cheap imports from China remained a challenge, the BF segment could largely remain insulated due to an increase in the sales of high-end, Value-Added Products (VAPs) and expanded sales to tier-2 customers.

During the year, the BF segment commissioned its Solid Woven plant, further enhancing its product portfolio. In addition, the Board approved a capex for BF capacity expansion from 1,100 to 1,800 Metric Tonnes Per Month within the next three years.

Polyester Industrial Yarn (PIY)

During the year, the demand for PIY remained weak due to aggressive pricing from Chinese manufacturers, resulting in a severe pressure on margins.

In the ensuing months, the PIY segment is looking to consolidate its product mix and is also expected to gain from the projected capacity expansion in FY24.

Outlook

While we expect to see some green shoots on the back of a resilient Indian economy, the margins of the Tyre Cord Fabrics segment will remain under pressure due to cheap imports from China. We will focus on building our volumes. Having said that, we remain optimistic about the growth of the Belting Fabrics segment as additional capacity comes on stream.

Chemicals Business

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

Fluorochemicals

Refrigerants, Propellants and Industrial Chemicals

FY23 began on a volatile note, with uncertainties on account of raw material and energy prices, bottlenecks in supply chain and high inflation rate.

Having said that, the Business achieved significant growth across all its product segments due to surge in the post-pandemic domestic demand. Demand in international markets was healthy, despite the cheap prices offered by the Chinese manufacturers. In addition, commodity prices eased out in the latter part of the year, aiding further growth.

QA Lab at SRF Dahej, India

Industrial Chemicals market remained stable, however prices dropped due to an oversupply situation resulting from additional capacities kicking in. The Dymel®/Propellants segment performed well because of increased market share, due to healthy demand and expansion in new geographies.

During the year, the Business witnessed safe and stable plant operations, with highest-ever production in most plants. The Business also commissioned new plants, namely, chloromethanes, calcium chloride and a Captive Power Plant (CPP) at its chemical complex in Dahej, India.

Overall, it was a year of stabilisation and growth post-COVID. The business performance was healthy and higher than last year.

Outlook

In FY24, the Indian economy is expected to grow, and global inflation is likely to come down. Hence, the demand momentum should continue in the coming year especially in the domestic market for all products. With the addition of new capacities and better utilisation, the Business is poised to grow in the coming year. Furthermore, we expect to commission new plants and increase our overall HFC capacities. In addition, we will also commission our new Fluoropolymers plant at Dahej in FY24.

Specialty Chemicals Business

FY23 has been a good year for the Specialty Chemicals Business (SCB). The Business maintained its growth momentum, despite being impacted by high input costs and global shortage of some key raw materials. The growth was primarily driven by an increase in demand for crop protection chemicals.

During the year, the Business focussed on the customers' key products and their developmental project requirements, while ensuring the production capacities were optimally utilised. This ensured continuity of customers' supply chain amid an uncertain environment of raw material availability triggered by disruptions in Europe. The combined effort of all the teams ensured that the Business maintained its growth trajectory and continued advancing on its key strategic priorities.

The SCB is committed to continue investing in setting up new plants to cater to the emerging demands from customers. Both sites at Bhiwadi and Dahej delivered improved operational efficiency from existing plants while managing an expanded portfolio of new products.

Furthermore, our 'Innovation and Technology Leadership' journey continued with the launch of several new Agrochemical and Pharma Intermediates. In addition, production capacities of several plants were enhanced, while working on continuous improvements in the plants at both the sites.

The Business continued to focus on increasing sourcing of raw materials from sustainable and environmentally responsible sources. The Business also implemented various initiatives to reduce its carbon footprint, such as optimising energy consumption and reducing greenhouse gas emissions.

The efforts of the Business in strengthening its capabilities and developing expertise in new chemistries have helped it to differentiate itself from its competitors. To address some of the future product requirements and to keep pace with the market opportunities, the fourth state-of-the-art Multipurpose Plant and a new Pharma Intermediates facility were commissioned apart from other Intermediates Plants.

During the year, the Board approved the construction of a number of plants for upcoming products and some of the critical feedstocks at Dahej. The Board also approved a Kilo-Lab at Bhiwadi to supply small quantities to customer for scale-up and product qualifications. The Business continues to make investments toward safer, cleaner, and leaner operations, and further strengthen its sustainability initiatives.

Outlook

The Specialty Chemicals Business continues to remain focussed on Agrochemical and Pharmaceutical segments, where it collaborates with major global innovators for process development, commercialisation, and production of complex, new age molecules. The Business expects to continue expanding its product portfolio on the back of sustainable value chain and remain focussed on strengthening its position in the existing markets.

The Business continued to focus on increasing sourcing of raw materials from sustainable and environmentally responsible sources. The Business also implemented various initiatives to reduce its carbon footprint, such as optimising energy consumption and reducing greenhouse gas emissions.

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

Chemicals Technology Group

The Chemicals Technology Group (CTG) is committed to introducing new technologies and developing cost effective routes for existing and next generation products for the growth of the Specialty Chemicals and Fluorochemicals Businesses.

During the year, CTG continued to boost its capabilities and added new technologies, to support the Businesses. The centerpiece of the sustained growth momentum was technological advances and breakthroughs achieved by our team of researchers and scientists. CTG continues to transform innovation in new product/process development and implement cutting edge technology at SRF, spearheading both the Specialty Chemicals and Fluorochemicals Businesses into next-level technology play.

For over two decades, CTG has enabled the Business growth in Fluorinated molecules and now it is increasingly engaged in introducing new chemistries and development of complex non-Fluorinated intermediates. It is crucial to keep on enhancing CTG's capabilities and support systems with rising complexity in developing products and reducing timelines for delivery-to-market. CTG is committed to the journey of continuous process improvement and developing more efficient processes by tapping novel chemistries and scaling them up for successful commercialisation.

The dedicated R&D facilities, developmental labs, and pilot plant facilities, having many scientists and engineers are working together to achieve the innovation and technology leadership at SRF. SRF continues to invest in R&D for creating propositions for the future and Capital and Revenue expenditures of ~₹ 120 crore was spent during FY23.

Our Packaging Films facility in Thailand

R&D worked on over 50 molecules and many products were successfully taken up for process development. More than 20 molecules were taken up for the scale-up studies and 70% were commercially produced in multipurpose and dedicated plants.

In FY23, CTG filed forty-two patents, taking the total count to four hundred and six patents filed so far. Eighteen patents were granted in FY23 taking the total count of patents granted to the Company to one hundred and thirty-two.

Packaging Films Business

FY23 has been a roller-coaster ride for the Packaging Films Business (PFB). During the first quarter of the FY, the Business made its highest-ever quarterly EBITDA. In Aug '22, PFB commissioned its new 10.4m BOPP line at Indore, India and managed to ramp it up vertically during the year. However, market conditions were extremely difficult from second quarter onwards as several new lines of BOPET and BOPP got commissioned during the period.

Overall, the Business achieved its highest-ever packed production of approximately 3,20,000 MTPA during the year while also focussing on intensive cost rationalisation as the business environment remained difficult. Enhancing business profitability through the development of VAPs has been a major thrust area. Our manufacturing capability in VAPs has been enhanced with the addition of paper metallisation, Alox Coating and Offline Coating assets and the new BOPP line, which has given us the flexibility to manufacture a wider BOPP portfolio. The Business successfully commercialised 10 new VAPs, 4 in BOPET and 6 in BOPP during the year, strengthening its VAPs portfolio.

Work on the upcoming Aluminium Foil project in India is progressing well and timely vertical start-up of the rolling mills will be an important focus area for the Business in the coming Financial Year.

The Business is driven by its philosophy of – Easy To Do Business With (ETDBW), and the team remains focussed on serving customers every day. Additionally, sustainability continues to be amongst the top priorities for the Business. Further development of sustainable products and compliance with the new Plastic Waste Management rules will be a key focus for us going forward.

Outlook

Margins in both BOPET and BOPP are likely to remain under pressure as new lines have been added and several more lines are in the pipeline. In FY24, SRF's primary focus will be on profitability enhancement and further rationalisation of operating cost and working capital in the Packaging Film Business. We will commission our new Offline Coating machine in Thailand and leverage our capabilities fully to further enhance our VAPs portfolio. Efforts will be directed towards vertical start-up of production and sales of Aluminium Foil in India. With the commissioning of our new Aluminium Foil plant, we will be amongst very few players globally who offer a wide portfolio of packaging substrates - BOPET, BOPP and Aluminium Foil under one roof. We will continue our work on various sustainability initiatives driven by the '3R' approach - Reduce, Reuse and Recycle. During the year, we will keep a close watch on the macro scenario and will be flexible to adapt our strategy accordingly.

Other Businesses

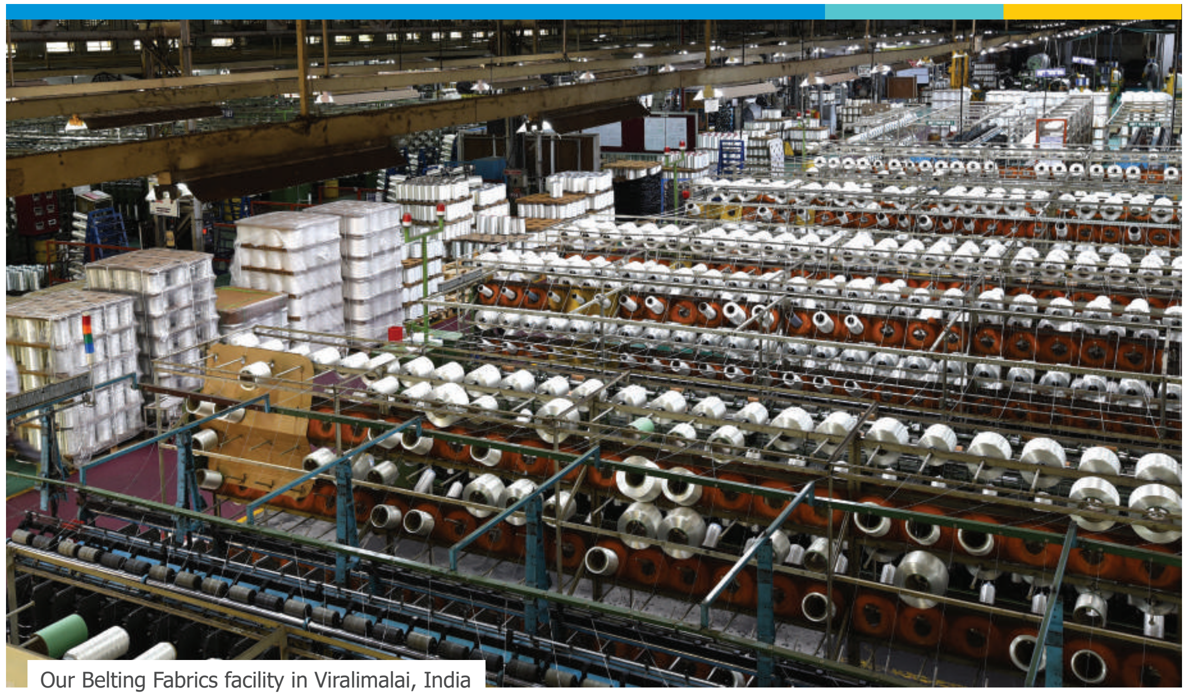
Coated and Laminated Fabrics Businesses

FY23 has been a good year for the Coated Fabrics Business. Domestic demand, particularly for VAPs remained strong, which helped the Business achieve its highest-ever domestic sales. Business made highest-ever EBITDA during the year. SRF continued to maintain its domestic market leadership in Coated Fabrics. Business also continued its price and volume leadership in the Laminated Fabrics Business by selling at full capacity and achieving its highest-ever sales during the FY. However, margins remained under pressure in Laminated Fabrics as costs increase could not be passed on completely to the customers due to excess supply.

With the commissioning of our new Aluminium Foil plant, we will be amongst very few players globally who offer a wide portfolio of packaging substrates - BOPET, BOPP and Aluminium Foil under one roof.

Outlook

In FY24, we expect demand to remain strong for both Coated Fabrics and Laminated Fabrics. In Coated Fabrics, the focus will be to enhance capacity and increase sales during the year. The Business will also continue to work on various cost reduction initiatives for both the businesses.



Our Belting Fabrics facility in Viralimalai, India

Human Resources

At SRF, the Human Resources (HR) function has evolved significantly over time. The function has always been determined to build best-in-class people processes that continue to enhance creativity of people. Our focus remains on building and strengthening a culture that keeps people at the core of all decisions while setting new benchmarks in profitability and productivity. With this ambitious goal, the HR team has had yet another successful year with a number of key accomplishments and initiatives being implemented.

The post pandemic world is different and in multiple ways; priorities have undergone a sea change. As an organisation, we've always maintained sync with what people want. As a step in this direction - the organisation focussed on implementing practices and policies that encouraged people to place a higher importance on health and wellness.

This year also witnessed an enhanced focus on building a culture that allows diversity to flourish and is inclusive in the truest sense. Making the organisation completely inclusive is a long-term journey that we have embarked upon and there is no looking back. Several changes were brought about that ensured a safe and conducive environment for all people irrespective of their gender, sexual preferences, caste, regional backgrounds, abilities, etc.

With years of continuous effort, we've been able to craft a unique and comprehensive performance management system that helps teams work to their potential by providing them necessary support and guidance. The system achieves a perfect balance between development, growth, rewards, conversations and strengthens the manager-subordinate relationships. With a high level of emphasis being placed on providing developmental and career growth opportunities, the organisation is able to promote meritocracy and build fairness and transparency. When it comes to salaries and benefits, SRF stands out for its competitive position in the market.

Not just the HR function but also the use of technology in the function has evolved over time. Today, a large majority of our people processes are completely automated.

Industrial environment

The organisation's overall employee relations remained positive throughout the year. This was a result of our consistent efforts towards keeping our employees engaged, motivated, involved in the success story of the organisation and completely committed to our cause. Various initiatives were implemented at the plants that encouraged participation and collaboration of not just employees but also of their families. We maintained a pleasant and cordial working environment across all manufacturing locations and witnessed a high in productivity at most of our manufacturing locations.

The total number of permanent employees at SRF and its subsidiaries/parent company stands at 7,971 at the close of business on March 31, 2023. Of these, 7,227 are based at our India locations.

Our team at SRF Flexipak, South Africa

Information Technology

As SRF plans for future growth, it is essential for core operations systems to work efficiently with increasing levels of automation leading to improved productivity and competitiveness. The systems have been designed appropriately to extend seamlessly to new factories with similar processes and standards.

In line with this vision, core systems like ERP, BPM-Business Process Management, ASCP-Advanced Supply Chain Management system underwent a generational upgrade to extend the support window by principals, leading to better availability, stability, and security. Many process improvements were done using the new features and functionalities of recent version releases, while also addressing pending operational issues of business teams. The technical stack was also upgraded and optimised to consume lesser resources while providing higher output at a faster pace. All this led to a substantial improvement in time taken to do basic transactions leading to higher throughput of operations teams. This enabled the staff to take on additional workload of our expansions.

SRF values its relationships with customers and vendors, continuously striving to improve the efficiency of operations and interactions. Our customer portal helps customers get an overview of their ongoing and past transactions with SRF. This solution was improved further and extended to more businesses this year. An integrated CRM-Customer Relationship Management solution was rolled out in Fluorochemicals Business and Technical Textiles Business aimed at helping the sales team service their customers promptly. A supplier procurement and portal solution was implemented in Specialty Chemicals Business this year as a pilot. This platform was used to close a lot of deals and share information to supplier related to their transactions with SRF.

> An integrated CRM-Customer Relationship Management solution was rolled out in Fluorochemicals Business and Technical Textiles Business aimed at helping the sales team service their customers promptly.

Manufacturing operations stands to gain from advancements in Industrial Internet of Things (IIOT). Over the years, SRF has done multiple implementations of solutions using factory systems data, sensor data, trend analysis, AI/ML algorithms. These projects helped improve machine state visibility, efficiencies, throughput, and uptime. Process Input/Output norms were also enhanced in some cases. Visual analytics is helping us detect any defects in the manufacturing process. These are also helping us optimise energy utilisation thereby helping us attain our sustainability and ESG commitments.

SRF increased its portfolio of security solutions in line with regulatory requirements as well as to suitably address the enhanced threat perception. Security incidents and events monitoring solution was implemented and is being monitored 24x7 by a specialist security organisation. We are also implementing a Privileged Access Management solution that will ensure that only authorised technical staff when authorised can reach the technical layer of IT solutions.

We are enhancing our citizen analytics and development capability using low code/no code tools. Many employees outside IT were able to develop insightful dashboards and micro process automations to help streamline their department operations. We will now be increasing our investments in Cloud technologies to plan for the next phase of growth.

Community Partnerships

Building upon its longstanding commitment to sustainable and inclusive community growth, the SRF Foundation - the Corporate Social Responsibility arm of SRF Limited - has expanded the scope of its work and taken concrete steps in compliance with Section 135 of the Companies Act 2013 during FY23.

SRF Vidyalaya, Chennai, India

The Foundation continued to focus on the identified areas of Education, Vocational Skills, Health Promotion, Environment, Disaster Management and Promotion of Arts and Culture on a sustainable basis. Moreover, it strengthened its Public Private Community Partnership (PPCP) model to positively impact people's lives.

FY23 witnessed the strengthening of the Foundation's Education Programs. SRF Foundation transformed Government schools into dynamic centres of education, turning them into "Model Schools" by working in the areas of physical-infra development, digitalisation, academics, and school leadership development. Presently, we have reached 465 Government schools across 24 locations in 12 states directly and indirectly by collaborating with like-minded partners, providing quality education to over 1,78,702 students, and training 3,397 teachers and 465 headmasters.

To promote digital inclusion, the SRF Foundation is working on KidSmart Centres, World on Wheels & SmartShiksha Mobile Digital Labs, Common Services Lab, and Digital Smart TV Classroom Programs in the intervention locations. In addition, the SRF Foundation is committed to transforming schools into centres of innovation through future skills programs such as the Tinker Coding Program, ATAL Community Innovation Centres, and ATAL Tinkering Labs.

Apart from school education, this year, the SRF Foundation initiated the 'Anganwadi Development Program,' aimed at improving the quality of Early Childhood Care and Education in line with the National Education Policy (NEP) 2020, which had a direct impact on 10,905 children from 308 Anganwadis across 7 locations.

Regarding vocational skills, the SRF Foundation integrated school dropouts, unemployed youth, and women into the mainstream workforce by equipping them with appropriate skills to meet the demands of the supply chain. Through the vocational skills programs, such as the Basic Electrician Training Program, Basic Computer Literacy Program, Spoken English Program, and Nari Shakti Program, we have trained 1,785 unemployed youth from 13 locations across 8 states, and 50% of them have been placed in national and multinational companies. In addition, 7,235 people in rural locations have received training in digital skills and 259 women have been trained in fashion designing and beautician trades.

Preventive Health Check Camp

SRF Foundation undertook several new initiatives this year to improve employability, health, and digital skills among the community. We introduced 'SmartShiksha' mobile digital labs in Mewat, Bharuch, Kamrup (M), Dhar, and Kashipur, offering a mobility solution to bridge the digital divide in rural locations. By partnering with Microsoft and Shell, we introduced 'Skills for Livelihood – Digital Skills for ITI & Polytechnics (non-IT trades),' which will benefit 5,000 ITI and Polytechnic students in skill development and employability across various parts of the country.

To promote community health, we introduced two new programs, the 'Rural Health Program (RHP)' and 'SRF Swasthya Seva.' Through RHP, we adopted a primary health centre in Nalcha (Dhar) to improve the medical practices as per 'kayakalp standard'. Our mobile health van 'SRF Swasthya Seva' in Bharuch will visit 15 different villages around the Dahej plant providing health awareness, diagnose issues, and cure diseases in the community. In partnership with Amway and Opportunity International, we extended the 'Power of 5' project in Sohna (Haryana) and Chennai (Tamil Nadu) to support child nutrition.

Through the Natural Resource Management (NRM) program, the SRF Foundation continued to support economically weaker families in the vicinity of its Bhiwadi, Rajasthan manufacturing plant by adopting a watershed-based livelihood and environmental conservation approach. In FY23, this program directly benefited over 5,249 families and indirectly supported 1,705 from 35 villages in the Tijara block surrounding the SRF Bhiwadi plant. This region receives below-normal rainfall, but the NRM program has helped maintain 206 earthen dams, ensuring their proper utilisation and providing sustainable benefits.

SRF Foundation undertook several new initiatives this year to improve employability, health, and digital skills among the community. We introduced 'SmartShiksha' mobile digital labs in Mewat, Bharuch, Kamrup (M), Dhar, and Kashipur, offering a mobility solution to bridge the digital divide in rural locations.

Electrician Training in progress

Furthermore, we undertook Assam flood relief work in several locations, including Nalbari, Bajali, Kamrup, and Barpeta. We provided 171 tents to 772 individuals affected by the floods. During FY23, the SRF Foundation funded fourteen NGOs for sixteen social projects in education, sports, health, and environment.

In recognition of our efforts in education programs, the SRF Foundation was honoured with three prestigious awards during the year, including the Mahatma Award 2022 for social impact in promoting quality education, the Bhamashah Award 2022 for CSR intervention in Education (Rajasthan), and the ICC Social Impact Award 2023 for the promotion of education.

Internal Control System and Internal Audit

The Company has a well-documented system of internal financial controls in place commensurate with its size, scale, and complexity of operations. These controls have been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets, executing transactions with proper authorisation, and ensuring compliance with corporate policies.

The Company has a well-established independent Internal Audit & Risk Management function which drives and coordinates for the Internal Audits, Internal Financial Controls and Enterprise Risk Management System. These frameworks are supported by a well-defined organisation structure, roles and responsibilities, documented policies and procedures, financial delegation of authority, ERP controls, among others.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, the ERP solutions, the accounting procedures, and policies at all locations.

Internal Audit reviews are conducted on an ongoing basis, based on a comprehensive risk-based audit plan commensurate with the size and nature of business activities of the Company. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the said plan. Any significant audit observations and corrective actions thereon are presented to the Audit Committee which reviews the reports submitted by the Internal Auditors (both internal and external) in each of its meetings. Based on the gaps reported in the internal audit report, process owners undertake corrective actions in their respective areas and thereby strengthen the internal control framework. In addition, the statutory auditors also obtain reasonable assurance on the adequacy and operating effectiveness over the Company's internal financial controls with reference to financial statements as a part of their annual audit exercise.

A robust Control Self-assessment (CSA) process enables process owners to perform self-assessment and promote self-compliance in accordance with laid down policies and procedures, regulatory environment through IT-enabled platform such as CSA tool and Compliance Manager.

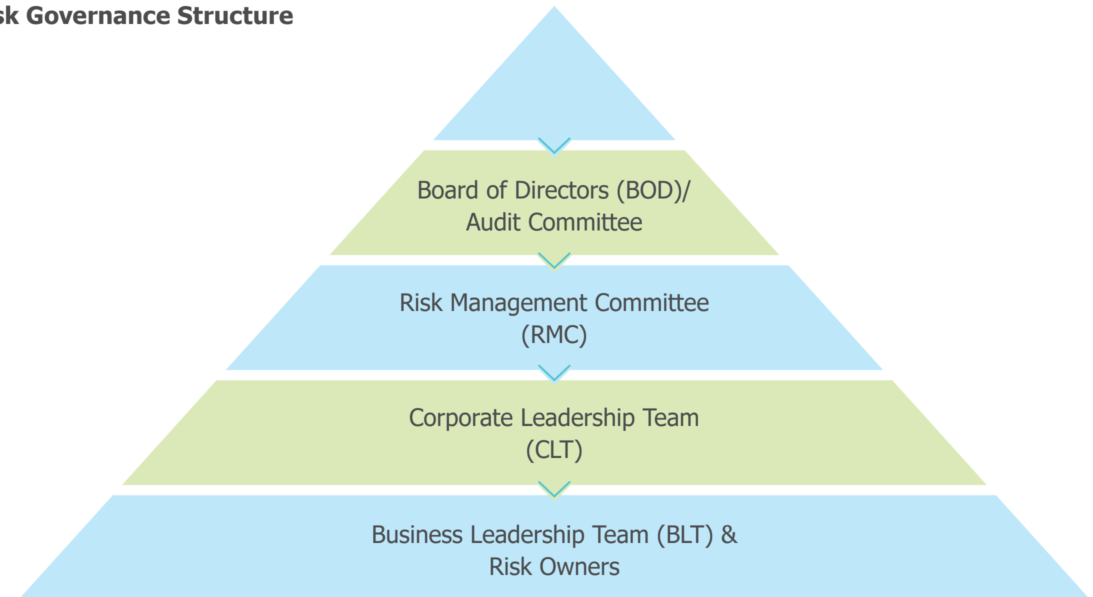
Risk Management

The Company has developed and implemented a Risk Management Framework, which is approved by the Board. Further, Board has constituted a Risk Management Committee (RMC) to oversee key risks and assist the Board in efficient management of risk management process.

The Risk Management Policy, inter alia, includes identification therein of elements of risk, including those, which in the opinion of the Board/RMC may threaten the existence of the Company or may have material impact. Risk management process has been an integral part of the Company strategy and planning process. The Company has established a risk management framework to identify, assess and frame a response to threats that can affect its business objectives and stakeholders. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organisation. The responsibility of tracking and monitoring the key risks of the business/function periodically and implementing suitable mitigation plans proactively is with the senior executives of various business/ functional units.

Risk Management Process

Risk Governance Structure



The key roles and responsibilities regarding risk management in the Company are summarised as follows:

1. Board of Directors (BOD) & the Audit Committee:

- The Board of Directors hold the overall responsibility for an effective risk management system. The Audit Committee of the Board examines the appropriateness and effectiveness of the risk management system at least once a year and reports to the Board
- Review the risks that may threaten the existence of the Company
- Consider the recommendation of Risk Management Committee on Risk Management Plan/Policy

2. Risk Management Committee (RMC):

- Overview Company's risk management framework and its compliance
- Identifications of key risks which may significantly impact the performance of the Company
- Review of policy, key risks as identified by the management, provide guidance to the management, and update the Board & Audit Committee on the same
- Assist the Board/Audit Committee in evaluating the effectiveness of Risk Management System

3. Corporate Leadership Team (CLT):

- Develop risk management framework and policy
- Review key risks and mitigation action plan
- Review effectiveness of risk mitigation strategies, develop counter measures if any and update the same to RMC

4. Business Leadership Team (BLT) & Risk Owners:

- Identification, classification, and prioritisation of risks into high, medium, and low as per risk management framework
- Identify and implement risk mitigation measures
- Periodically review mitigation measures status, develop counter measures, if any
- Provide status update of key risks to the CLT

Risk Classification

All risks have been broadly classified into the following categories:

Strategic Risk
Risks arising out of macro-Economics and other external conditions which can significantly impact the Company's strategic business decision, future aspiration, and financial performance

Operational Risk
Risks of loss due to Inadequate manufacturing process, insufficient resources, inadequate processes, safety or failure thereof, insufficient skill or people

Regulatory Risk
Risks arising out of regulatory non-compliances

Financial & Reporting Risk
Financial reporting risk arises from the evolving accounting and financial reporting requirement, increasingly complex business model, etc.

IT and Cyber Risk
Potential loss due to non-availability of technical infrastructure or appropriate software technology, impact on data integrity, data theft or loss of Intellectual Property Rights (IPR) due to compromised network security

Sectoral Risk
These are the risks arising out of uncertainty with respect to changes in the economic and financial scenarios that are unique to a sector or industry

Sustainability including ESG Risk
These are the risks arising out of environmental, social or governance events or conditions that, if it occurs, could cause an actual or a potential material negative impact

During FY23, significant changes in the key financial ratios as per listing regulations were as follows:

Ratio	FY23	FY22	% Change	Reason
Interest Coverage Ratio = (EBDIT - Current Tax) / Gross Interest and Lease payments	13.10	19.04	(31.17%)	Largely due to increase in key interest rate benchmarks, both locally and globally which led to higher interest costs and deterioration in the ratio despite increase in overall servicing ability
Return on Net Worth = PAT / Net Worth	21.87%	19.77%	10.63%	Increase in PAT by 34.26% from ₹ 1,507.01 crore in FY22 to ₹ 2,023.35 crore in FY23

Corporate Governance Report

Philosophy of the Company on Corporate Governance

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

Board of Directors

Composition of the Board

As on March 31, 2023, SRF's Board consisted of 10 Directors, of which three are executives of the Company (including the Chairman, who is an Executive Chairman), and six are independent and one is non independent and non-executive. Table 1 gives the details of the Board as on March 31, 2023.

Table 1: Composition of the Board of Directors of SRF

Name of Director	Category of Director	No. of other Directorships of Indian Public Ltd Co. (other than SRF Limited)*	No. of Committees where Chairperson or Member (including SRF Limited)#		Name of Listed Entities & Category of Directorship
			Chairperson	Member	
Mr. Ashish Bharat Ram	Executive Chairman, Promoter	5	1	1	– KAMA Holdings Limited – Non- Executive Director – Havells India Limited – Independent Director
Mr. Kartik Bharat Ram	Executive, Promoter	3	-	2	– KAMA Holdings Limited – Non- Executive Director
Mr Tejpreet S Chopra	Non-Executive, Independent	3	1	2	– Gujarat Pipavav Port Limited – Independent Director – Indian Energy Exchange Ltd – Independent – Tube Investments of India Ltd – Independent Director
Mr. Lakshman Lakshminarayan	Non-Executive, Independent	0	1	-	-

Name of Director	Category of Director	No. of other Directorships of Indian Public Ltd Co. (other than SRF Limited)*	No. of Committees where Chairperson or Member (including SRF Limited)#		Name of Listed Entities & Category of Directorship
			Chairperson	Member	
Mr. Vellayan Subbiah **	Non-Executive, Non-Independent	5	1	2	– Tube Investments of India Ltd – Executive Vice Chairman, Promoter – Cholamandalam Investment and Finance Company Limited – Non-Executive Director – Cholamandalam Financial Holdings Limited – Non-Executive Director – CG Power and Industrial Solutions Limited – Non-Executive Director
Mr. Pramod Gopaldas Gujarathi	Executive	1	-	1	– Chemiesynth (Vapi) Limited – Independent Director
Ms. Bharti Gupta Ramola	Non-Executive, Independent	2	-	2	– HDFC Life Insurance Company Ltd – Independent Director, – Tata Steels Limited – Independent Director
Mr. Yash Gupta	Non-Executive, Independent Director	1	-	1	Nil
Mr. Puneet Yadu Dalmia	Non-Executive, Independent Director	3	-	1	– Dalmia Bharat Ltd – Managing Director – Piramal Enterprises Ltd – Independent Director – Piramal Capital & Housing Finance Ltd - Independent Director
Mr Raj Kumar Jain**	Non-Executive, Independent Director	1	-	1	– JK Agri Genetics Limited - Independent Director

Mr. Ashish Bharat Ram and Mr. Kartik Bharat Ram are related to each-other.

*Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.

Membership & Chairmanship of Stakeholder Relationship Committee & Audit Committee of Indian Public Limited Companies have been considered.

** Mr. Raj Kumar Jain was appointed as Independent Director wef 09.05.2022. Mr. Vellayan Subbiah resigned as Independent Director on 09.05.2022 and appointed as Non-Executive Non-Independent Director wef 10.05.2022.

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

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

Skills available with Board as per skill matrix -

Sl. No.	Name of Director	Industry knowledge/ experience	Technical skills/ experience	Behavioural Competencies
1.	Mr. Ashish Bharat Ram	b,c,d,e,f,g	a,d,e,f,g	a,c,d,e,f,g,h,i
2.	Mr. Kartik Bharat Ram	b,d,e,f,g	c,d,e,f,g	a,b,c,d,e,f,h,i
3.	Mr. Lakshman Lakshminarayan	b,c,d,e,f,g	a,b,c,f	a,b,e,f,g,i
4.	Mr. Vellayan Subbiah	a,b,c,d,e,f,g	a,b,e,f	a,c,d,e,f,g,h
5.	Mr. Tejpreet S Chopra	b,c,d,f,g	d,e,f,g	a,c,d,e,f,g,h
6.	Mr. Pramod G. Gujarathi	b,c,f,g	b,d,	a,b,c,f,g
7.	Mrs. Bharti Gupta Ramola	a,c,d,e,g	a,d,f,g	a,c,d,f,g,h
8.	Mr. Puneet Yadu Dalmia	b,c,d,e,f,g	a,b,e,f	a,b,c,d,e,f,i
9.	Mr. Yash Gupta	a,d,e,f,g	a,c,e,f,g	a,b,c,d,e,f,h
10.	Mr. Raj Kumar Jain	a, b,c,d, e, g	a,b,c,e, f, g	a,b,c,d,e,f, g,h,i

Certificate from M/s. Rohit Parmar & Associates, Practising Company Secretary (Registration No. 22137) dated May 2, 2023, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the SEBI/ Ministry of Corporate Affairs or any such Statutory Authority as stipulated under Regulation 34(3) of the Listing Regulations, is attached to this Report.

Independent Directors on the Board are Non-Executive Directors

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

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Companies Act and Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

None of the Directors on the Board holds directorships in more than ten public companies. None of our Directors serve as a director/ independent director on more than seven listed entities. None of our Directors who is serving as whole time Director/ Managing Director in any listed entity is holding position of independent director in more than three listed entities. None of the Directors is a member of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

Independent Directors' Meeting

In accordance with the applicable provisions of Companies Act, 2013 and Listing Regulations, a meeting of the Independent Directors of the Company was held on January 30, 2023, without the attendance of Non-Independent Directors and members of the management.

Familiarisation Programme

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

Number of Board Meetings

During 2022-23, the Board of Directors met five times on the dates as referred below in Table 2.

Table 2: Attendance of directors in Board Meetings and Annual General Meeting (AGM) held during the year in 2022-23

Name of the Director	Date of Board Meeting and Attendance of Directors					Date of AGM and Attendance of Directors
	May 9, 2022	May 30, 2022	July 21, 2022	November 3, 2022	January 30, 2023	July 21, 2022
Mr. Ashish Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Kartik Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Pramod G Gujarathi	Yes	Yes	No	Yes	Yes	No
Mr. Tejpreet S Chopra	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Lakshman Lakshminarayan	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Vellayan Subbiah	Yes	Yes	Yes	Yes	No	Yes
Mrs. Bharti Gupta Ramola	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Puneet Yadu Dalmia	Yes	Yes	Yes	Yes	No	Yes
Mr. Yash Gupta	Yes	No	Yes	Yes	Yes	Yes
Mr. Raj Kumar Jain	Yes	Yes	Yes	Yes	Yes	Yes

Remuneration of Directors

Table 3 gives the remuneration paid or payable to the Directors of SRF Limited for financial year 2022-23 and table 4 gives details of Service Contracts

Table 3: Remuneration Paid or Payable

Sl. No	Name	Salary & Allowances	Sitting Fees	Perquisites	Provident Fund and Superannuation and leave encashment	Commission (Provided)/ Professional Fees	Total (₹ In Crores)
1	Mr Ashish Bharat Ram	8.10	-	1.04	4.23	8.00	21.37
2	Mr Kartik Bharat Ram	8.10	-	1.14	4.36	8.00	21.60
3	Mr Pramod G Gujarathi	0.22	-		0.01	-	0.23
4	Mr. Raj Kumar Jain	-	0.04	-	-	0.17	0.21
5	Mr Tejpreet S Chopra	-	0.04	-	-	0.17	0.21
6	Mr. Lakshman Lakshminarayan	-	0.05	-	-	0.17	0.22
7	Mr Vellayan Subbiah	-	0.02	-	-	0.17	0.19
8	Mrs. Bharti Gupta Ramola	-	0.05	-	-	0.17	0.22
9	Mr. Puneet Dalmia	-	0.03	-	-	0.17	0.20
10	Mr. Yash Gupta	-	0.04	-	-	0.17	0.21
	Total	**16.42**	**0.27**	**2.18**	**8.60**	**17.19**	**44.66**

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

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

Table 4: Details of Service Contracts

Name of Director	Tenure	Notice Period	Severance Fee
Mr. Ashish Bharat Ram	5 years w.e.f. May 23, 2020	3 months by either party	As per the provisions of the Companies Act, 2013
Mr. Kartik Bharat Ram	5 years w.e.f June 01, 2021	3 months by either party	As per the provisions of the Companies Act, 2013
Mr. Pramod Gopaldas Gujarathi	3 years w.e.f. April 01, 2023 (subject to approval of the shareholders in the upcoming AGM)	1 month by either party	Nil

Shareholding of Non-Executive Directors

Table 5 gives details of the shares held by the non-executive Directors as on March 31, 2023.

Table 5: Equity Shares held by Non-Executive Directors as on March 31, 2023

Name of Director	Category	Number of Equity Shares Held
Mr. Tejpreet S Chopra	Independent	3,335
Mr. Lakshman Lakshminarayan	Independent	-
Mr. Vellayan Subbiah	Non-Executive and Non-Independent	67,035
Mrs. Bharti Gupta Ramola	Independent	-
Mr. Puneet Yadu Dalmia	Independent	-
Mr. Yash Gupta	Independent	3,200
Mr. Raj Kumar Jain	Independent	-

The Company has not issued any convertible securities to any Director

Information Supplied to the Board

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

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

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

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

Code of Conduct

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

Risk Management

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

Statutory Committees of the Board

a) Audit Committee

i) Terms of Reference

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

In addition, the Committee also mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee, and
- Statement of deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

ii) Composition of Audit Committee and Attendance of members in Audit Committee Meeting held during the year

As on March 31, 2023, the Audit Committee of SRF comprised of three Directors all of whom are independent, namely Mr. Lakshman Lakshminarayan as Chairman, Mr. Raj Kumar Jain and Mrs. Bharti Gupta Ramola as members. The constitution of the Committee meets the requirements of Section 177 of the Companies Act, 2013, as well as Regulation 18 of Listing Regulations. All the members of the Audit Committee are financially literate. Chairman & Managing Director, Joint Managing Director, CFO, Internal Auditors and Statutory Auditors are invitees to the Committee. Company Secretary of the Company acts as Secretary to the Committee.

Table 6 provides details of the Audit Committee meetings held during the year 2022-23 and attendance of its members.

Table 6: Attendance Record of Audit Committee Meetings during 2022-23

Name of Members	Category	Date of Audit Committee Meeting and Attendance of Members					
		May 6, 2022	May 09, 2022	May 30, 2022	July 21, 2022	November 03, 2022	January 30, 2023
Mr. Lakshman Lakshminarayan (Chairman)	Independent, Non-Executive	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Vellayan Subbiah *	Non-Independent, Non-Executive	Yes	Yes	NA	NA	NA	NA
Mrs. Bharti Gupta Ramola	Independent, Non-Executive	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Raj Kumar Jain*	Independent, Non-Executive	NA	NA	Yes	Yes	Yes	Yes

*Mr. Vellayan Subbiah ceased to be a member of Audit Committee and Mr. Raj Kumar Jain was appointed as a member of Audit Committee w.e.f. 10th May 2022

b) Nomination and Remuneration Committee

i) Terms of Reference :

The terms of reference of the Committee are wide enough covering the matters specified in Listing Regulations and the Companies Act, 2013 and Terms of reference of the Committee briefly are as under:

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

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

As on March 31, 2023, this Committee comprised of three Directors, all of whom are independent, namely Mr. Tejpreet S Chopra (Chairman), Mr. Yash Gupta and Mr. Puneet Yadu Dalmia as Members. The constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013.

Table 7 provides details of the Nomination and Remuneration Committee meetings held during the year 2022-23 and attendance of its members.

Table 7: Attendance Record of Nomination and Remuneration Committee Meetings during 2022-23

Name of Members	Category	Date of NRC Meeting and Attendance of Members		
		May 09, 2022	July 21, 2022	January 27, 2023
Mr. Tejpreet S Chopra (Chairman)	Independent, Non-Executive	Yes	Yes	Yes
Mr. Puneet Yadu Dalmia	Independent, Non-Executive	Yes	Yes	Yes
Mr. Yash Gupta	Independent, Non-Executive	Yes	Yes	Yes

iii) Annual Evaluation of Board, Committees and Individual Directors

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

Performance evaluation of independent directors is done by the Nomination and Remuneration Committee on criteria more particularly described in the Nomination, Appointment and Remuneration Policy, a copy of which is attached as Annexure I to the Board Report.

Based on the recommendations of the NRC, the Board of Directors decide to continue their appointment or consider them for reappointment, as applicable.

iv) Nomination, Appointment and Remuneration Policy

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

c) Stakeholders Relationship Committee

As on March 31, 2023, this Committee comprised four Directors—two executive Directors and two non-executive Directors, namely Mr. Tejpreet S Chopra, Independent Director is Chairman, Mr. Yash Gupta, Independent Director and Mr. Ashish Bharat Ram & Mr. Kartik Bharat Ram Executive Directors are members of the Committee.

Table 8 provides details of the Stakeholders Relationship Committee meetings held during the year 2022-23 and attendance of its members.

Table 8: Attendance Record of Stakeholders Relationship Committee Meetings during 2022-23

Name of Members	Category	Date of Stakeholders Relationship Committee Meeting and Attendance of Members						
		May 25, 2022	July 21, 2022	September 26, 2022	October 31, 2022	January 02, 2023	February 15, 2023	March 20, 2023
Mr. Tejpreet S Chopra (Chairman)	Non-Executive, Independent	No	Yes	Yes	Yes	No	Yes	Yes
Mr. Ashish Bharat Ram	Executive, Promoter	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Kartik Bharat Ram	Executive, Promoter	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Yash Gupta	Non-Executive, Independent	No	Yes	Yes	Yes	Yes	No	No

Mr. Rajat Lakhanpal, Sr. VP (Corporate Compliance) & Company Secretary is Compliance Officer under Listing Regulations.

As on March 31, 2023, no investor complaint was pending with the Registrar and Share Transfer Agent.

Table 9 gives data on the shareholder/investor complaints received and redressed during the year 2022-23.

Table 9: Shareholder and Investor Complaints received and redressed during 2022-23

Total Complaints Received	Total Complaints Redressed	Complaints not solved to the satisfaction of Shareholders	Pending as on March 31, 2023
304	304	Nil	Nil

d) Corporate Social Responsibility Committee

As on March 31, 2023, this Committee comprised of three Directors —Mr. Kartik Bharat Ram (Chairman), Mr. Lakshman Lakshminarayan and Mr. Yash Gupta as members. The constitution of the Committee meets the requirements of Section 135 of the Companies Act, 2013.

The terms of reference of the Committee in line with the requirements of the Section 135 of the Companies Act, 2013 and the rules framed thereunder. Table 10 provides details of the Corporate Social Responsibility Committee meetings held during the year 2022-23 and attendance of its members:

Table 10: Attendance Record of Corporate Social Responsibility Committee Meetings during 2022-23

Name of the Member	Category	Date of Corporate Social Responsibility Meeting and Attendance of Member	
		06 May 2022	22 March 2023
Mr. Kartik Bharat Ram (Chairman)	Executive	Yes	Yes
Mr. Lakshman Lakshminarayan	Independent	Yes	Yes
Mr. Yash Gupta	Independent	Yes	No

The details of CSR initiatives undertaken by the Company during financial year 2022-23 are provided in the CSR Annual Report annexed to the Directors Report.

e) Risk Management Committee

As on March 31, 2023, this Committee comprised of three Directors— Mr. Ashish Bharat Ram as Chairman, Mr. Kartik Bharat Ram and Mrs. Bharti Gupta Ramola as Members. The composition of the Committee is in conformity with Regulation 21 of the Listing Regulations.

As on March 31, 2023, brief description of terms of reference of Risk Management Committee interalia includes the following:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Table 11 provides details of the Risk Management Committee meetings held during the year 2022-23 and attendance of its members.

Table 11: Attendance Record of Risk Management Committee Meeting during 2022-23

Name of Members	Category	Date of meeting and Attendance of Director	
		June 24, 2022	December 20, 2022
Mr. Ashish Bharat Ram (Chairman)	Executive, Promoter	Yes	Yes
Mr. Kartik Bharat Ram	Executive, Promoter	Yes	Yes
Mrs. Bharti Gupta Ramola	Independent, Non-Executive	Yes	Yes

f) Committee of Directors – Financial Resources

As on March 31, 2023, this Committee comprised of three Directors— Mr. Ashish Bharat Ram Mr. Kartik Bharat Ram and Mr. Pramod Gopaldas Gujarathi all of whom are executive directors.

Table 12 provides details of the Committee of Directors- Financial Resources meetings held during the year 2022--23 and attendance of its members.

Name of Members	Date of Committee of Directors- Financial Resources Meeting and Attendance of Members												
	9 May 22	27 May 22	14 Jun 22	21 Jul 22	25 Aug 22	02 Sep 22	18 Oct 22	03 Nov 22	30 Nov 22	21 Dec 22	12 Jan 23	30 Jan 23	15 Feb 23
Mr. Ashish Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Kartik Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Pramod G Gujarathi	Yes	No	No	No	No	No	No	No	No	No	No	Yes	No

Recommendations made by any of the above Committees which were not accepted by the Board

During the year under review, there were no instances where the Board has not accepted any recommendation(s) made by any of the Committee of the Board.

Management

Management Discussion and Analysis

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

Disclosure Requirements

- During the year 2022-23, the Company had no materially significant related party transactions. Transactions with related parties are disclosed in Note No 32 to the Financial Statements. The Company has policies on materiality of Related Party Transactions and on dealing with Related Party Transactions. The said policies are available on the website of the Company at https://www.srf.com/investors/corporate-governance/. Policy of determining 'material subsidiaries' is available on the website of the Company at https://www.srf.com/investors/corporate-governance/
- The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. The Company has complied with all the applicable requirements of capital markets and no penalties or strictures have been imposed on the Company by Stock Exchange(s), SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.
- Vigil Mechanism: Section 177 (9) of the Companies Act, 2013 and Regulation 22 of Listing Regulations requires that a Company shall have a vigil mechanism for directors and employees for reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Vigil Mechanism of the Company includes Code of Conduct for Directors and Senior Management Personnel, Code of Conduct for employees, Policy against sexual harassment, Whistle blower Policy and Code of Conduct for Prevention of Insider Trading. The crux of which is disclosed by the Company on its website at https://www.srf.com/investors/corporate-governance/. No personnel has been denied access to the Audit Committee for raising his/her concern under this policy during financial year 2022-23.
- The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 (as applicable) and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.
- This Corporate Governance Report of the Company for the year 2022-23 is in compliance with the requirements of Listing Regulations, as applicable.

Non-Mandatory Requirement

The status of adoption of the non-mandatory requirements as specified in sub – regulation 1 of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

(a) The Board : The Chairman of the Company is Executive Chairman; **(b) Shareholder Rights:** Half-yearly and other quarterly financial statements are published in newspapers and uploaded on Company's website www.srf.com. **(c) Modified opinion(s) in audit report:** The Company already has in place a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements; and **(d) Reporting of Internal Auditor:** The Internal Auditor of the Company reports to the President & CFO of the Company and has direct access to the Audit Committee.

CEO/CFO certification

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

Appointment/ Reappointment/Resignation of Directors

Mr. Pramod Gopaldas Gujarathi, Director (Safety & Environment) and Occupier is retiring by rotation and being eligible offers himself for re-appointment.

The members of the Company at the 49th Annual General Meeting held on August 17, 2020 had appointed Mr. Pramod Gopaldas Gujarathi as Director (Safety & Environment) and Occupier for a term of three years upto March 31, 2023. Mr. Pramod Gopaldas Gujarathi has been re-appointed as Director (Safety & Environment) for a period of 3 years wef April 1, 2023 subject to approval by shareholders through special resolution at the ensuing Annual General Meeting.

The Members of the Company at the 48th Annual General Meeting held on August 5, 2019 had appointed Ms. Bharti Gupta Ramola, Mr. Puneet Yadu Dalmia and Mr. Yash Gupta as Independent Director(s) of the Company. Their first term as Independent Directors are ending on February 3, 2024, March 31, 2024 and March 31, 2024 respectively.

The Board on the recommendation of Nomination and Remuneration Committee has recommended the proposals for reappointment of Ms. Bharti Gupta Ramola for a further period of 5 years w.e.f. February 2, 2024 and Mr. Puneet Yadu Dalmia and Mr. Yash Gupta for a further period of 5 years w.e.f. April 1, 2024 for approval of the shareholders through special resolution(s).

Mr. Vellayan Subbiah was appointed as Non-Executive Independent Director by members at the Annual General Meeting held on August 07, 2018 for the period of 5 years commencing from April 01, 2019 upto March 31, 2024. The Board was of the view that it would be to the benefit of the Company if his experience and wisdom would continue to be utilized by the Board and management on a long-term basis. Accordingly, a proposal to appoint him as a non-independent and non-executive director on the Board was discussed with him and he graciously agreed to step down as an independent director and resigned from the closing of Business hours of 9th May 2022 and was appointed as Additional non-independent and non-executive director, liable to retire by rotation, w.e.f May 10, 2022. His appointment was approved by the shareholders at the 51st Annual General Meeting held on July 21, 2022.

Mr. Raj Kumar Jain, was appointed as an Additional Independent Director w.e.f May 9, 2022. His appointment was approved by the shareholders at the 51st Annual General Meeting held on July 21, 2022.

Brief resumes of all the directors proposed to be re-appointed are given in the explanatory statement to the Notice of the 52nd Annual General Meeting.

Means of Communication with Shareholders

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

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

General body meetings

Last three Annual General Body Meetings

The details of the last three AGMs are given in Table 14.

Table 14 : Last three AGMs of the Company

Year	Location	Date	Time	No. of Special Resolutions Passed
2019-20	Video Conferencing. Deemed Venue- The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091	August 17, 2020	11.00 A.M.	2
2020-21	Video Conferencing. Deemed Venue- The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091	August 31, 2021	11.00 A.M.	1
2021-22	Video Conferencing. Deemed Venue- The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091	July 21, 2022	11.00 A.M	2

Postal Ballot

During the year no resolutions was passed through Postal Ballot.

Additional Shareholder Information

52nd Annual General Meeting

Day: Friday

Date: June 30, 2023

Time: 10.00 A.M.

Mode: Video Conferencing

Venue: The Company is conducting meeting through VC / OAVM pursuant to the Ministry of Corporate Affairs ("MCA"), vide Circular No. 14/2020 dated April 8 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 5, 2020 read together Circular No. 02/2021 dated January 13, 2021 read together with Circular No. 2/2022 dated May 5, 2022 and Circular No. 10/2022 dated December 28, 2022 (collectively referred to as 'MCA Circulars') and SEBI vide its circular dated May 12, 2020, January 15, 2021,May 13, 2022 and January 5, 2023 (collectively referred to as 'SEBI Circulars') and deemed venue for meeting will be Registered Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091 For details please refer to the Notice of this AGM.

Financial Year

1 April to 31 March

Tentative Financial Calendar for Results, 2023-24

First Quarter	Third week of July 2023
Second Quarter	First week of November 2023
Third Quarter	Last week of January 2024
Fourth Quarter and Annual	Second week of May 2024

Interim Dividend Payment Date

During the financial year 2022-23, Two interim dividends of ₹ 3.60 (36%) each on the paid up capital of the Company absorbing ₹ 213.43 Crores approx. were paid on August 18, 2022 and February 28, 2023 respectively.

Unclaimed Shares Suspense Account

Issue of 23,69,80,820 Bonus shares of ₹ 10 each fully paid up in the ratio of 4:1 (4 equity shares for every 1 equity share held), was approved by the shareholders through postal ballot on October 06, 2021 and allotted by the Board of Directors at its meeting held on October 15, 2021. Physical share certificates which were returned undelivered were lying as unclaimed with the Registrar & Transfer Agent of the Company (RTA).

Pursuant to the requirements of Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (dealing with unclaimed shares in the physical form), three reminder letters were sent to the shareholders, requesting them to claim the shares lying with the Company as unclaimed by submitting the relevant documents. The Company has transferred 289141 unclaimed shares to "Unclaimed Suspense Account" in compliance with the listing regulations during the financial year ended 31.03.2023.

Details are as under:

Aggregate Number of shareholders and the Outstanding shares in the Suspense Account lying in the beginning of the year	Nil
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	Nil
Number of shareholders to whom shares were transferred from suspense account during the year.	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	Shareholders- 953 No. of Shares- 289141

The Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

The rightful owner can still claim his/ her shares from the suspense account after complying with the procedure laid down in the statute regarding the same.

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

B S R & Co. LLP, Chartered Accountant who are the Statutory Auditors of the Company are a part of B S R & Affiliates network. During financial year 2022-23, total fees paid by the Company and its subsidiaries on a consolidated basis to B S R & Co. LLP, Chartered Accountant and all entities forming part of B S R & Affiliates network is ₹ 1.73 Crores (including out of pocket expenses).

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year.

Disclosure by Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount –

Below are the details of Loans and advances made by the Company and its subsidiaries to firms/companies in which directors are interested -

(₹ In Crores)

Lender	Borrower	Nature of Relationship	Opening Balance as on 01.04.2022*	Loan granted during the year	Loan repaid during the year	Closing Balance as on 31.03.2023
SRF Limited (Company)	SRF Altech Limited	Wholly owned subsidiary	-	278.16	223.20	54.96
SRF Global BV (Wholly Owned Subsidiary of Co.)	SRF Industries (Thailand) Limited	Wholly owned subsidiary	122.92	-	122.92	-
	SRF Industex Belting (Pty) Limited	Wholly owned subsidiary	47.48	8.22	4.11	51.59
	SRF Europe Kft.	Wholly owned subsidiary	258.76	31.29	31.29	258.76
	SRF Flexipak (South Africa) (Pty) Limited	Wholly owned subsidiary	41.07	-	35.62	5.44

* April 1st 2022 numbers have been computed using exchange rate as on 31st Mar'2023, where ever applicable.

Exchange rate used- USD-82.209 & EURO-89.386

Details of material subsidiaries of the listed entity

In compliance with the Listing Regulations, the Board has formulated the Policy for determining Material Subsidiaries, which is available on its website. Details of Incorporation and Statutory Auditors of Material Subsidiaries are as follows -

Name of Material Subsidiary Company	Details of Incorporation		Details of Statutory Auditors	
	Place	Date	Name	Date of Appointment
SRF Industries (Thailand) Limited	Thailand	30-Oct-1990	KPMG Phoomchai Audit Ltd	18-Jun-2018

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year 2022-23

No. of complaints filed during the financial year	2
No. of complaints disposed off during the financial year	2
No. of complaints pending as on the end of the financial year	0

List of Credit Ratings

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

During the year under review there is no revision in Credit Rating.

Listing on Stock Exchanges in India

As on March 31, 2023, SRF's shares are listed on the BSE and the NSE. The Company has paid the listing fee to both BSE and NSE for the year 2022-23. The Stock Codes are:

Stock Exchanges	Equity Shares
BSE Limited 25th Floor, P.J. Towers Dalal Street, Mumbai 400 001	503806
National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex Bandra (E) Mumbai 400 051	SRF

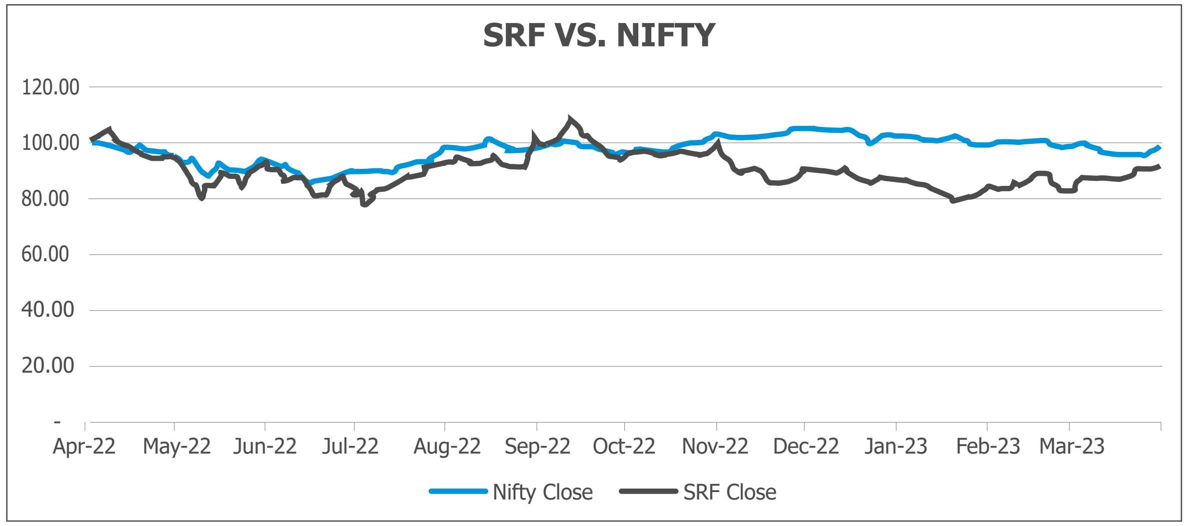
Stock Market Data

Table15 gives the monthly high and low quotations as well as the volume of shares traded at BSE and NSE during 2022-23.

Table 15: Monthly Highs and Lows and Volumes Traded at the BSE and NSE during 2022-23

Month	BSE			NSE		
	Highest Price (₹)	Lowest Price (₹)	Volume (No.)	Highest Price (₹)	Lowest Price (₹)	Volume (No.)
Apr-22	2773.00	2425.00	5,07,763.00	2773.35	2424.00	1,33,69,958
May-22	2523.95	2100.15	7,68,860.00	2521.90	2100.00	1,90,90,589
Jun-22	2492.65	2081.00	3,30,474.00	2493.00	2080.70	1,01,56,913
Jul-22	2448.95	2002.50	8,22,563.00	2448.90	2002.20	2,04,16,662
Aug-22	2556.30	2320.05	4,86,462.00	2555.00	2325.10	99,83,096
Sep-22	2864.35	2412.55	15,40,216.00	2865.00	2411.45	1,84,72,221
Oct-22	2612.60	2462.90	7,93,364.00	2613.00	2462.20	88,13,903
Nov-22	2639.80	2239.25	4,83,091.00	2639.70	2237.70	1,45,09,773
Dec-22	2460.00	2209.00	3,52,400.00	2460.00	2206.05	1,19,84,954
Jan-23	2312.00	2082.15	3,19,498.00	2312.00	2082.10	1,06,83,904
Feb-23	2353.60	2153.95	4,40,377.00	2355.00	2154.05	1,09,54,822
Mar-23	2433.35	2167.05	2,31,912.00	2433.40	2184.05	1,03,63,898

Chart 1: Share prices of Nifty versus SRF Limited for the year ended March 31 2023



Note: Both Nifty and SRF share prices are indexed to 100 as on April 1, 2023.

Registrar and Share Transfer Agents

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

Share Transfer System

Trading in equity shares of the Company through recognised Stock Exchanges can be done only in dematerialised form.

Depository System

Shareholders can trade in the Company's shares only in electronic form. The process for getting the shares de-materialised is as follows:

- Shareholder submits the shares certificate/letter of confirmation along with De-materialisation Request Form (DRF) to Depository Participant (DP)
- DP processes the DRF and generates a unique De-materialisation Request No
- DP forwards the DRF and share certificates/ letter of confirmation to the Registrar and Share Transfer Agent (RTA)
- RTA after processing the DRF confirms or rejects the request to Depositories
- If confirmed by the RTA, depositories give the credit to shareholder in his /her account maintained with DP

This process takes approximately 10-15 days from the date of receipt of DRF.

As the trading in the shares of the Company can be done only in the electronic form, it is advisable that the shareholders who have the shares in physical form get their shares dematerialised.

Dematerialisation of Shares & Liquidity

As on March 31, 2023, out of 29,64,24,825 Equity Shares of ₹ 10/- each, 29,37,80,319 shares (99.11%) were held in electronic form by 261,515 shareholders and balance 26,44,506 shares (0.89%) were held by 6852 shareholders in physical form.

Distribution of Shareholding as on March 31, 2023@

Table 16 gives the distribution of shares according to shareholding class, while Table 17 gives the distribution of shareholding by ownership.

Table 16: Pattern of Shareholding by Share Class as on March 31, 2023

No. of Equity Shares held	No. of shareholders	% of Shareholders	No. of shares	% of Shareholding
1-500	2,55,214	95.10	1,05,42,077	3.56
501- 1000	5,777	2.15	44,26,733	1.49
1001- 2000	3,689	1.37	53,68,472	1.81
2001- 3000	1,351	0.50	33,72,504	1.14
3001- 4000	541	0.20	19,08,738	0.65
4001- 5000	369	0.14	17,27,267	0.58
5001- 10000	582	0.22	41,96,921	1.41
10001& Above	844	0.32	26,48,82,113	89.36
Total	**2,68,367**	**100.00**	**29,64,24,825**	**100.00**

Table 17: Pattern of Shareholding by Ownership as on March 31, 2023

S. No	Category	Total Shares	% To Equity
1	PROMOTER COMPANIES	14,96,45,000	50.48
2	FOREIGN PORTFOLIO – CORP	5,47,92,629	18.48
3	RESIDENT INDIVIDUALS	3,52,49,262	11.90
4	MUTUAL FUNDS	2,49,22,075	8.41
5	QUALIFIED INSTITUTIONAL BUYER	1,69,35,129	5.71
6	BODIES CORPORATES	44,99,750	1.52
7	NON RESIDENT INDIAN NON REPATRIABLE	36,52,985	1.23
8	I E P F	19,58,614	0.66
9	ALTERNATIVE INVESTMENT FUND	12,47,513	0.42
10	H U F	9,52,041	0.33
11	INSURANCE COMPANIES	7,49,910	0.25
12	EMPLOYEES	5,97,311	0.20
13	NON RESIDENT INDIANS	5,36,447	0.18
14	BANKS	4,16,052	0.14
15	PROMOTERS	1,37,500	0.05
16	DIRECTORS	73,570	0.02
17	UNIT TRUST OF INDIA	17,265	0.01
18	CLEARING MEMBERS	16,903	0.01
19	NBFC	13,272	0.00
20	TRUSTS	11,547	0.00
21	FOREIGN NATIONALS	50	0.00
	Total	**29,64,24,825**	**100.00**

@Including holdings by NSDL and CDSL

Outstanding GDRs/ ADRs/ Warrants or Any Convertible Instruments, Their Conversion Dates and Likely Impact on Equity

As on March 31, 2023, there were no outstanding GDRs/ ADRs/ Warrants or any convertible instruments

Commodity price risk or foreign exchange risk and hedging activities

During the year 2022-23, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. There is no direct hedgeable commodity risk that the Company has on any of its raw materials or finished products. Thus, the Foreign Exchange Risk Management Policy covers only net forex exposure on account of its imports and exports.

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

Plant Locations

Business	Plant Locations
Technical Textiles Business	• Manali Industrial Area, Manali, Chennai-600068, Tamil Nadu • Industrial Area, Malanpur, Distt. Bhind-477116, MP • Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi, Dist. Thiruvallur–601 201, Tamil Nadu • Viralimalai, Distt. Pudukottai - 621 316, Tamil Nadu • Plot No. 12, Rampura, Ramnagar Road, Kashipur, Dist. Udham Singh Nagar-244713, Uttarakhand
Chemicals and Other Business	• Village & P.O. Jhiwana, Tehsil Tijara, Distt. Alwar - 301 018, Rajasthan • DII / I GIDC. PCPIR,GIDC Phase II, Tal Vagra, Vill. Dahej, Dist Bharuch-392130, Gujarat
Packaging Films Business	• Plot No. 12, Rampura, Ramnagar Road, Kashipur, Dist. Udham Singh Nagar-244713, Uttarakhand • Plot No. C 1-8, C 21-30, Sector 3, Indore Special Economic Zone, PithamPur, Dist. Dhar-454775, Indore, MP • Plot No. 675, Industrial Area, Sector 3, Village Bagdoon, Pithampur, Dist. Dhar – 454775, Indore MP • Plot No 3-A, Industrial Growth Sector Kheda, Kheda, Dist-Dhar, Madhya Pradesh, 454775

Address for Correspondence

Registered Office	Corporate Office	Registrar & Share Transfer Agent
The Galleria, DLF Mayur Vihar, Unit No.236 & 237, Second Floor, Mayur Place, Mayur Vihar, Phase-I Extn., Delhi - 110091 Tel No.: (+ 91-11) 49482870 Fax No.:(+ 91-11) 49482900 E-mail : cs@srf.com	Block – C, Sector –45 Gurugram 122 003 Tel No.:(+ 91-124) 4354400 Fax No.: (+ 91-124) 4354500 E-mail : cs@srf.com	**KFin Technologies Limited** Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500032 E-mail: einward.ris@kfintech.com Website: https://www.kfintech.com Toll Free No. 1- 800-309-4001

Declaration Regarding Code of Conduct

I, Ashish Bharat Ram, Chairman & Managing Director of SRF Limited hereby declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended March 31, 2023.

Ashish Bharat Ram
Chairman & Managing Director

Date: May 9, 2023
Place: Gurugram

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SRF Limited having CIN L18101DL1970PLC005197 and having registered office at the Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extension, New Delhi-110091 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.no.	Name of Director	DIN	Date of appointment in the Company*
1.	Mr. Ashish Bharat Ram	00671567	23/05/2005
2.	Mr. Kartik Bharat Ram	00008557	14/11/2006
3.	Mr. Lakshman Lakshminarayan	00012554	11/11/2011
4.	Mr. Puneet Yadu Dalmia	00022633	01/04/2019
5.	Mr. Yash Gupta	00299621	01/04/2019
6.	Mr. Tejpreet Singh Chopra	00317683	21/09/2011
7.	Mrs. Bharti Gupta Ramola	00356188	04/02/2019
8.	Mr. Pramod Gopaldas Gujarath	00418958	01/04/2017
9.	Mr. Vellayan Subbiah	01138759	01/05/2012
10.	Mr. Raj Kumar Jain	01741527	09/05/2022

*The date of appointment is as per the MCA Portal.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Rohit Parmar and Associates
Company Secretaries
Unique Code No.: S2021DE820800

Rohit Parmar
ACS No.: A54442; COP No. 22137
Peer Review no.: 2122/2022
UDIN: A054442E000235031

Date: May 02, 2023
Place: New Delhi

Independent Auditor's Report

To the Members of SRF Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of SRF Limited (the "Company") which comprise the standalone balance sheet as at March 31, 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and other comprehensive loss, 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matter

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

Accounting for derivatives	
See Note 38 to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
An important element of Company's fund-raising strategy involves various types of borrowings including foreign currency denominated borrowings and a combination of fixed and floating interest rates, and also foreign currency denominated loans and advances to other parties. The Company's operating activities are also exposed to significant foreign exchange risk (refer to note 38 of the standalone financial statements). 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.	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 analyzing critical terms, such as nominal amount, maturity, and underlying, of the hedging instrument and the hedged item to assess they are closely aligned.

Accounting for derivatives	
See Note 38 to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
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.	– 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 auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

a. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements.

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

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

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 41(g)(viii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 41(g)(ix) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

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

Kaushal Kishore
Partner
Place: Gurugram Membership No.: 090075
Date: May 09, 2023 ICAI UDIN:23090075BGYUKU4492

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of SRF Limited for the year ended March 31, 2023

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value as at 31 March 2023 (₹ in crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in the name of the Company/ Remarks
Land at Bharuch, Dahej, Gujarat	108.16 (carried cost)	Gujarat Industrial Development Corporation ('GIDC') at Dahej, Gujarat	No	From June 2009 onwards (by multiple allotment orders)	The execution of lease deed of land in respect of 1,165,437 square meters of leasehold land already allotted (out of a total of 1,181,776 square meters) to the Company is pending. We understand that, as a process agreed with GIDC, the same will be executed once the entire/ substantial portion of the above piece of land is allotted/ handed over to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts till date of the report has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in, provided guarantees, and granted loans to companies and other parties, in respect of which the requisite information is as below. The Company has not made any investments in, provided guarantees and granted loans to firms or limited liability partnership.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans, or stood guarantee, or provided security to any other entity as below:

Particulars	Guarantees (₹ in Crores)	Loans (₹ in Crores)
Aggregate amount during the year Subsidiaries*	271.29	278.16
Others (Officers * and employees)	-	49.01
Balance outstanding as at balance sheet date		
Subsidiaries*	1,934.28	480.36
Others (Officers * and employees)	-	54.34

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made and guarantees provided during the year, and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion, the repayment of principal and payment of interest have been stipulated and the repayments or receipts have been regular, except for the loan of ₹ 278.16 crores given to SRF Altech Limited (a wholly owned subsidiary), which is repayable on demand, including interest thereon. There has been no delays or default in respect of the above loan. Further, the Company has not given any advances in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

Particulars	Related Party
Loan Repayable on demand	₹ 278.16 Crores
Percentage of loans to the total loans	85.02%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective July 1, 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount* (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Excise Laws	Excise Duty	9.32	1993-02	Upto Commissioner (Appeals)	None
Service Tax Laws	Service Tax	1.77	2006-18	Upto Commissioner (Appeals)	
Customs Law	Customs Duty	1.27	2012-13	Supreme Court	
		0.27	2016-19	High Court	
		0.17	2002	Up to Commissioner (Appeals)	
Sales Tax Laws	Sales Tax	0.34	2015-16	High Court	
		1.40	2014-16	Sales Tax Appellate Tribunal	
		7.68	1988-2017	Up to Commissioner (Appeals)	
Income Tax Laws	Income Tax	1.13	Assessment Year (AY) 1989-90	Supreme Court	
		1.20 11.03	AY 2017-18 AY 2018-19	Income tax Appellate Tribunal	
		73.82 4.30	AY 2021-22 AY 2007-08	Upto Commissioner of Income Tax (Appeal)	
Goods & Service tax Laws	Goods & Service Tax	0.23	2017-18	Upto Commissioner (Appeals)	
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	0.21	2011-16	EPF Appellate Tribunal	
		0.30	2011-13	Central Government Industrial Tribunal	

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

Name of the statute	Nature of the dues	Amount* (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Laws	Income Tax	2.64 1.08 1.83	AY 2000-01 AY 2001-02 AY 2003-04	High Court	None
Central Excise Laws	Excise Duty	1.18 2.24	1994-95 1989-95	High Court Upto Commissioner (Appeals)	
Customs Law	Customs Duty	0.01	2012-13	Upto Commissioner (Appeals)	

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

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, other than ₹ 370.00 crores which remain unutilised as at March 31, 2023 because the funds were received towards the end of the year. The Company has temporarily invested such unutilised balance in fixed deposits as at March 31, 2023.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

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

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Kaushal Kishore
Partner
Place: Gurugram Membership No.: 090075
Date: May 09, 2023 ICAI UDIN:23090075BGYUKU4492

Annexure B to the Independent Auditor's Report on the standalone financial statements of SRF Limited for the year ended March 31, 2023

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 Act

(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 March 31, 2023 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 March 31, 2023, 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 and Board of Directors' Responsibilities 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 Act.

Auditor's 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Kaushal Kishore
Partner
Membership No.: 090075
ICAI UDIN:23090075BGYUKU4492

Place: Gurugram
Date: May 09, 2023

Standalone Balance Sheet

as at March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	7,309.25	5,750.50
Right-of-use assets	37	258.87	255.35
Capital work-in-progress	2.1	2,128.95	1,617.04
Goodwill	3	-	-
Other intangible assets	4	106.08	108.13
Financial assets			
(i) Investments	5	92.82	92.82
(ii) Loans	6	291.35	410.05
(iii) Other financial assets	7	65.33	140.53
Non-current tax assets (net)	20	85.57	21.31
Other non-current assets	8	209.72	207.48
Total non-current assets		**10,547.94**	**8,603.21**
Current assets			
Inventories	9	1,848.67	1,750.88
Financial assets			
(i) Investments	5	490.05	316.74
(ii) Trade receivables	10	1,436.38	1,350.99
(iii) Cash and cash equivalents	11	527.25	319.64
(iv) Bank balances other than above	12	8.48	8.87
(v) Loans	6	243.35	178.42
(vi) Other financial assets	7	240.64	226.51
Other current assets	8	208.65	179.96
Total current assets		**5,003.47**	**4,332.01**
Assets classified as held for sale	40	**-**	**3.00**
TOTAL ASSETS		**15,551.41**	**12,938.22**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	297.44	297.44
Other equity	14	8,956.11	7,327.36
Total equity		**9,253.55**	**7,624.80**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	1,726.53	1,189.73
(ii) Lease liabilities	37	96.53	95.18
(iii) Other financial liabilities	19	159.47	153.53
Provisions	16	51.84	44.86
Deferred tax liabilities (net)	17	749.34	613.04
Other non-current liabilities	21	29.20	-
Total non-current liabilities		**2,812.91**	**2,096.34**

Standalone Balance Sheet (CONTD.)

as at March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Current liabilities			
Financial liabilities			
(i) Borrowings	15	1,312.73	1,585.17
(ii) Lease liabilities	37	25.90	20.66
(iii) Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		67.79	55.98
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,581.38	1,284.39
(iv) Other financial liabilities	19	382.99	148.15
Other current liabilities	21	96.23	107.56
Provisions	16	6.28	5.42
Current tax liabilities (net)	20	11.65	9.75
Total current liabilities		**3,484.95**	**3,217.08**
Total Liabilities		**6,297.86**	**5,313.42**
TOTAL EQUITY AND LIABILITIES		**15,551.41**	**12,938.22**
Summary of significant accounting policies	1B		
See accompanying notes to the standalone financial statements	2 to 41		

As per our report of even date attached

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

Kaushal Kishore
Partner
Membership No.: 090075

Place: Gurugram
Date : May 09, 2023

For and on behalf of the Board of Directors

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557

Bharti Gupta Ramola
Director
DIN - 00356188

Rahul Jain
President & CFO

Rajat Lakhanpal
Senior Vice President (Corporate Compliance) and Company Secretary

Place: Gurugram
Date : May 09, 2023

Standalone Statement of Profit and Loss

for the Year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

Particulars		Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenue from operations	22	12,073.84	9,953.44
II	Other income	23	106.06	135.31
III	**Total Income (I + II)**		**12,179.90**	**10,088.75**
IV	**Expenses**			
	Cost of materials consumed	24.1	5,504.52	4,748.26
	Purchases of stock-in-trade	24.2	109.72	137.27
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.3	21.91	(193.25)
	Employee benefits expense	25	684.19	658.48
	Finance costs	26	175.82	94.45
	Depreciation and amortisation expense	27	468.44	419.23
	Other expenses	28	2,559.44	2,069.27
	Total Expenses (IV)		**9,524.04**	**7,933.71**
V	**Profit before tax (III - IV)**		**2,655.86**	**2,155.04**
VI	**Tax expense**	29		
	Current tax		581.99	616.41
	Deferred tax			
	MAT credit entitlement		(94.13)	(25.27)
	Others		144.64	56.89
	Total tax expense		**632.50**	**648.03**
VII	**Profit for the year (V - VI)**		**2,023.36**	**1,507.01**
VIII	**Other comprehensive income**			
A	Items that will not be reclassified to profit or loss			
	(i)(a) Gain / (loss) on remeasurement of defined benefit obligation	14.2, 33.2	(12.14)	(7.30)
	(i)(b) Income tax on item (i)(a) above	14.2, 30	4.24	2.55
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	(252.29)	39.99
	(i)(b) Income tax on item (i)(a) above	14.3, 30	67.58	(13.03)

Standalone Statement of Profit and Loss (CONTD.)

for the Year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

Particulars		Note No.	Year ended March 31, 2023	Year ended March 31, 2022
	(ii)(a) Cost of Hedging Reserve	14.10	3.81	1.48
	(ii)(b) Income tax on item (ii)(a) above	14.10, 30	(0.79)	(0.45)
	Total other comprehensive income / (loss) for the year, net of taxes (A(i) + B(i+ii))		**(189.59)**	**23.24**
IX	**Total comprehensive income for the year (VII + VIII)**		**1,833.77**	**1,530.25**
	Basic and Diluted Earnings per equity share (in ₹)	36	68.26	50.86
Summary of significant accounting policies		1B		
See accompanying notes to the standalone financial statements		2 to 41		

As per our report of even date attached

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

Kaushal Kishore
Partner
Membership No.: 090075

Place: Gurugram
Date : May 09, 2023

For and on behalf of the Board of Directors

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557

Bharti Gupta Ramola
Director
DIN - 00356188

Rahul Jain
President & CFO

Rajat Lakhanpal
Senior Vice President (Corporate Compliance) and Company Secretary

Place: Gurugram
Date : May 09, 2023

Standalone Cash Flow Statement

for the Year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	2,655.86	2,155.04
	Adjustments for:		
	Finance costs	175.82	94.45
	Interest income	(59.90)	(32.20)
	Net gain on sale of property, plant and equipment	(6.19)	(3.09)
	Net gain on financial assets measured at fair value through profit and loss	(9.10)	(7.06)
	Credit impaired assets provided / written off	0.52	0.76
	Amortisation of grant income	(3.35)	-
	Depreciation and amortisation expense	468.44	419.23
	Property, plant and equipment and inventory discarded / provided / (written back)	2.98	18.83
	Provision / liabilities no longer required written back	(27.44)	(2.59)
	Net currency exchange fluctuation (gain) / loss	(43.37)	(21.27)
	Employee share based payment expense	8.41	11.11
	Stamp duty on purchase of investments	0.07	0.08
	Adjustments for (increase) / decrease in operating assets :-		
	Trade receivables	(89.87)	(331.15)
	Inventories	(97.23)	(472.29)
	Loans (current)	(1.59)	(1.04)
	Loans (non-current)	(30.00)	(4.16)
	Other assets (current)	(101.20)	44.44
	Other assets (non-current)	(23.62)	(1.85)
	Adjustments for increase / (decrease) in operating liabilities :-		
	Trade payables	307.57	142.65
	Provisions	7.83	5.05
	Other liabilities (current)	121.44	(15.34)
	Cash generated from operations	**3,256.08**	**1,999.60**
	Income taxes paid (net of refunds)	(467.98)	(361.99)
	Net cash generated from operating activities	**2,788.10**	**1,637.61**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Net sale / (purchases) of current investments	(164.21)	102.84
	Stamp duty on purchase of investments	(0.07)	(0.08)
	Purchase of non-current investments	-	(5.06)
	Interest received	37.21	31.57
	Bank balances not considered as cash and cash equivalents	30.39	104.84
	Payment for purchase of property, plant and equipment, capital work-in-progress and other intangible assets	(2,373.79)	(1,575.85)
	Proceeds from disposal of property, plant and equipment	15.58	14.95
	Loans given to subsidiaries	(278.16)	(230.20)
	Repayment of loans received from subsidiaries	404.89	277.41
	Net cash used in investing activities	**(2,328.16)**	**(1,279.58)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of shares	*	0.20
	Proceeds from long term borrowings	818.42	455.36
	Repayment of long term borrowings	(672.25)	(414.05)
	Net proceeds from short term borrowings	22.69	157.22
	Dividends on equity share capital paid	(213.32)	(211.74)
	Payment towards lease liability	(32.47)	(25.68)
	Finance costs paid	(175.40)	(86.42)
	Net cash used in financing activities	**(252.33)**	**(125.11)**
	Net increase in cash and cash equivalents	**207.61**	**232.92**
	Cash and cash equivalents at the beginning of the year	319.64	86.72
	Cash and cash equivalents at the end of the year (Refer to note 11)	**527.25**	**319.64**

* Amount in absolute: ₹ 38,000

Standalone Cash Flow Statement (CONTD.)

for the Year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

Notes:

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

(ii) During the year, the Company paid in cash ₹ 28.63 crores (Previous year: ₹ 21.75 crores) towards corporate social responsibility (CSR) expenditure.

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

Particulars	As at March 31, 2022	Cash flow from financing activities	Non-cash changes						As at March 31, 2023
			Upfront fees amortised	Exchange fluctuation changes#	Finance cost#	Interim dividend declared	Lease liability recognised	Utilisation of securities premium	
Equity share capital	297.44	^^	-	-	-	-	-	-	297.44
Securities premium	509.56	-	-	-	-	-	-	-	509.56
Non-current borrowings*	1,852.22	146.17	1.49	92.20	-	-	-	-	2,092.08
Current borrowings ^	922.68	22.69	-	1.81	-	-	-	-	947.18
Interest accrued	3.70	(175.40)	-	-	184.95	-	-	-	13.25
Lease liability	115.84	(32.47)	-	-	8.92	-	30.14	-	122.43
Dividend	6.72	(213.32)	-	-	-	213.43	-	-	6.83
Total	**3,708.16**	**(252.33)**	**1.49**	**94.01**	**193.87**	**213.43**	**30.14**	**-**	**3,988.77**

Particulars	As at March 31, 2021	Cash flow from financing activities	Non-cash changes						As at March 31, 2022
			Upfront fees amortised	Exchange fluctuation changes#	Finance cost#	Interim dividend declared	Lease liability recognised	Utilisation of securities premium	
Equity share capital	60.26	0.20	-	-	-	-	-	236.98	297.44
Securities premium	736.25	-	-	-	-	-	-	(226.69)	509.56
Non-current borrowings*	1,812.82	41.31	1.48	(3.39)	-	-	-	-	1,852.22
Current borrowings ^	762.26	157.22	-	3.20	-	-	-	-	922.68
Interest accrued	4.47	(86.42)	-	-	85.65	-	-	-	3.70
Lease liability	77.62	(25.68)	-	-	8.70	-	55.20	-	115.84
Dividend	6.57	(211.74)	-	-	-	211.89	-	-	6.72
Total	**3,460.25**	**(125.11)**	**1.48**	**(0.19)**	**94.35**	**211.89**	**55.20**	**10.29**	**3,708.16**

* including current maturities of long term borrowings

^ excluding current maturities of long term borrowings

^^ Amount in absolute: ₹ 38,000

including amount capitalised

Summary of significant accounting policies 1B

See accompanying notes to the standalone financial statements 2 to 41

As per our report of even date attached

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

Kaushal Kishore
Partner
Membership No.: 090075

Place: Gurugram
Date : May 09, 2023

For and on behalf of the Board of Directors

Ashish Bharat Ram
Chairman and
Managing Director
DIN - 00671567

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557

Bharti Gupta Ramola
Director
DIN - 00356188

Rahul Jain
President & CFO

Rajat Lakhanpal
Senior Vice President
(Corporate Compliance)
and Company Secretary

Place: Gurugram
Date : May 09, 2023

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at March 31, 2021	**60.26**
Changes in equity share capital during the year	237.18
Balance at March 31, 2022	**297.44**
Changes in equity share capital during the year	*
Balance at March 31, 2023	**297.44**

* Amount in absolute: ₹ 38,000

(b) Other Equity

Particulars	Reserves and Surplus#							Items of other comprehensive income#			Total equity
	Capital reserve	General reserve	Capital redemption reserve	Securities premium	Debenture redemption reserve	Employee share based payment reserve	Retained earnings	Effective portion of cash flow hedge	Equity instrument through other comprehensive income	Cost of hedging reserve	
Balance at March 31, 2021	**219.19**	**648.54**	**10.48**	**736.25**	**62.50**	**2.54**	**4551.58**	**7.53**	**(4.22)**	**0.62**	**6,235.01**
Profit for the year	-	-	-	-	-	-	1,507.01	-	-	-	1,507.01
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(4.75)	26.96	-	1.03	23.24
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,502.26**	**26.96**	**-**	**1.03**	**1,530.25**
Dividend ^	-	-	-	-	-	-	(211.89)	-	-	-	(211.89)
Employee share based payment expense	-	-	-	-	-	10.91	-	-	-	-	10.91
Recognised / (released) on vesting of shares issued under employee share purchase scheme	-	-	-	10.29	-	(10.23)	-	-	-	-	0.06
Utilisation on issue of bonus equity shares	-	-	-	(236.98)	-	-	-	-	-	-	(236.98)
Balance at March 31, 2022	**219.19**	**648.54**	**10.48**	**509.56**	**62.50**	**3.22**	**5841.95**	**34.49**	**(4.22)**	**1.65**	**7,327.36**
Profit for the year	-	-	-	-	-	-	2,023.36	-	-	-	2,023.36
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(7.90)	(184.71)	-	3.02	(189.59)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,015.46**	**(184.71)**	**-**	**3.02**	**1,833.77**
Dividend ^	-	-	-	-	-	-	(213.43)	-	-	-	(213.43)
Employee share based payment expense	-	-	-	-	-	8.41	-	-	-	-	8.41
Transfer from Debenture redemption reserve to General reserve	-	62.50	-	-	(62.50)	-	-	-	-	-	-
Balance at March 31, 2023	**219.19**	**711.04**	**10.48**	**509.56**	**-**	**11.63**	**7643.98**	**(150.22)**	**(4.22)**	**4.67**	**8,956.11**

Refer note 14
^ Refer note 13.1

Summary of significant accounting policies	1B
See accompanying notes to the standalone financial statements	2 to 41

As per our report of even date attached

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

Kaushal Kishore
Partner
Membership No.: 090075

Place: Gurugram
Date : May 09, 2023

For and on behalf of the Board of Directors

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557

Bharti Gupta Ramola
Director
DIN - 00356188

Rahul Jain
President & CFO

Rajat Lakhanpal
Senior Vice President (Corporate Compliance) and Company Secretary

Place: Gurugram
Date : May 09, 2023

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

1 CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

A CORPORATE INFORMATION

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

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

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 9, 2023.

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
- Expected to be realised within twelve months after the reporting period
- 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

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

- It is due to be settled within twelve months after the reporting period
- 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)

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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 borrowing 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. Excess of net sale proceeds of items produced over the cost of testing, if any, are not recognised in the profit or loss but deducted from the directly attributable costs of property, plant, and equipment.

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 of labour and material, 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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

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:

Management's estimate of useful life

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

Freehold land is not depreciated.

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

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

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

5 Intangible Assets

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

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

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

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

Trademarks / Brand	10-30 years
Technical Knowhow	30-40 years
Software	3-5 years
Other intangibles	2.5-8 years

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

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

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;

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– 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.

The Company reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

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

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

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

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

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

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

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs incurred for the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the asset. All other borrowing costs are expensed in the period in which they occur. In case of a specific borrowing taken for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised shall be the actual borrowing costs incurred during the period less any interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset.

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

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

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

(i) Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation

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or interest cost, as the case may be, except those relating to exchange differences arising from cash flow hedges to the extent that the hedges are effective and those covered below.

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

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

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

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

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 based on normal operating capacity.

(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.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

The comparison of cost and net realisable value is made on an item-by-Item basis.

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.

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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

Sale of goods and services

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 over a period of time as and when the underlying services are performed.

Revenues towards satisfaction of a performance obligation are measured based on the transaction price (net of variable consideration), 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.

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 best estimate of 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.

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

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

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

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

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

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

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

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

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

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

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

A government grant that becomes receivable as compensation for expenses or losses incurred is 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, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

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

Revenue from export benefits arising from duty drawback scheme, remission of duties and taxes on exported product scheme are recognized on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable. The benefit accrued under the above scheme is included under the head "Revenue from Operations" under 'Export and other incentives'.

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. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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.

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Other long-term employee benefits

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

Share based payments

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

18 Earnings per share

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

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

19 Cash and cash equivalents

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

20 Financial instruments

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

Initial Recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL,transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A) Financial Assets

Classification and 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)-debt instrument or equity instrument.

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

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not classified as measured at amortised cost or FVOCI 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 Instruments

All equity instruments 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 in Subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

Derecognition

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

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

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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.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information. The Company considers a financial asset to be in default when the asset is unlikely to be realised in full.

Credit Impaired Financial Assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation

Presentation of allowance for ECL in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write Off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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

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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 determine the initial recognition of the financial instrument as Fair Value Hedge or Cashflow hedge. The documentation includes the Company’s risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument’s fair value in offsetting the exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency/reference interest rates, contract amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. In these hedge relationships, the main expected sources of ineffectiveness are:

- the effect of the counterparties’ and the Company’s own credit risk on the fair value of the forward foreign exchange contracts or swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates or interest rates and

- changes in the timing of the hedged transactions

Hedges entered into by the Company 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.

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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 accounting will be discontinued prospectively. Any cumulative gain or loss previously recognised in other comprehensive income remains separately in other equity if the forecast transaction or the foreign currency firm commitment is expected to occur else the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

22 Fair value measurement

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

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

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

Notes to the Standalone Financial Statements
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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.

Notes to the Standalone Financial Statements

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26 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 method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross amount of the financial asset or the amortised cost of the financial liability, The effective. 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).

27 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrows the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to the Standalone Financial Statements

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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.

A) Judgement

- Classification and lease term determination of leasing arrangement – Note 1.B.9
- Derecognition of trade receivables and hedge effectiveness - Note 1.B.20
- Reverse factoring: presentation of amounts related to supply chain financing arrangements in the balance sheet and in the statement of cash flows - Note 18

B) Assumptions and Estimation uncertainties

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(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, 2021	**317.18**	**71.77**	**725.48**	**5,988.46**	**27.61**	**65.16**	**43.69**	**7,239.35**
Additions / adjustments	-	1.08	31.80	536.32	0.99	11.06	10.08	591.33
Disposals / adjustments	-	-	(5.84)	(59.86)	(0.54)	(3.91)	(4.85)	(75.00)
Balance at March 31, 2022	**317.18**	**72.85**	**751.44**	**6,464.92**	**28.06**	**72.31**	**48.92**	**7,755.68**
Additions / adjustments	8.09	16.34	151.66	1,780.14	3.97	13.56	31.70	2,005.46
Disposals / adjustments	(3.40)	-	(0.55)	(25.13)	(0.31)	(2.33)	(12.71)	(44.43)
Balance at March 31, 2023	**321.87**	**89.19**	**902.55**	**8,219.93**	**31.72**	**83.54**	**67.91**	**9,716.71**
Accumulated depreciation								
Balance at March 31, 2021	**-**	**7.85**	**105.22**	**1,484.82**	**11.23**	**36.67**	**25.24**	**1,671.03**
Depreciation expenses	-	1.67	21.38	347.26	1.91	7.86	7.76	387.84
Disposals / adjustments	-	-	(0.63)	(45.56)	(0.32)	(3.53)	(3.64)	(53.68)
Balance at March 31, 2022	**-**	**9.52**	**125.97**	**1,786.52**	**12.82**	**41.00**	**29.36**	**2,005.19**
Depreciation expenses	-	1.92	25.62	386.58	2.09	7.81	9.76	433.78
Disposals / adjustments	-	-	(0.09)	(20.98)	(0.21)	(2.06)	(8.17)	(31.51)
Balance at March 31, 2023	**-**	**11.44**	**151.50**	**2,152.12**	**14.70**	**46.75**	**30.95**	**2,407.46**
Net block								
Balance at March 31, 2022	**317.18**	**63.33**	**625.47**	**4,678.40**	**15.24**	**31.31**	**19.57**	**5,750.50**
Balance at March 31, 2023	**321.87**	**77.75**	**751.05**	**6,067.81**	**17.02**	**36.79**	**36.96**	**7,309.25**

Notes:

(i) Borrowing cost capitalised during the year is ₹ 44.98 crores (Previous year: ₹ 17.85 crores) with a capitalisation rate ranging from 0.49% to 3.82% (Previous year: 0.40% to 3.55%).

(ii) The industrial freehold land measuring 32.41 acres at the Company's plant in Gummudipoondi, Tamil Nadu had been acquired by the Company w.e.f. January 01, 2001 pursuant to a scheme of amalgamation sanctioned by the Hon'ble High court of Judicature at Madras and the Hon'ble High court of Delhi. Out of the said land, there is a dispute on a land parcel of 2.74 acres. Based on the legal documentation available, the Company is of the view that the said dispute is not tenable.

(iii) Capital expenditure incurred during the year includes ₹ 7.22 crores (Previous year: ₹ 8.49 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 ₹ 19.66 crores (Previous year: ₹ 37.80 crores) are secured by hypothecation of Captive Power Plant (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) Disposals during the previous year include property, plant and equipment classified as assets held for sale. Refer note 40.

vii) **Capital Work in Progress**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	1,617.04	436.13
Additions during the year	2,517.37	1,772.24
Less: Amounts capitalised during the year*	2,005.46	591.33
Closing Balance	**2,128.95**	**1,617.04**

* 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 for additions in property, plant and equipment.

Notes to the Standalone Financial Statements
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2.1 CAPITAL WORK-IN-PROGRESS (CWIP)

(i) Ageing of capital work-in-progress :

	Amount in CWIP for a period of				
	Less than 1 year	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Projects in progress					
As at March 31, 2023	1,859.52	218.01	43.92	7.50	**2,128.95**
As at March 31, 2022	1,509.77	99.77	7.50	-	**1,617.04**

(ii) CWIP completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan :

	As at March 31, 2023			
	To be completed in			
	Less than 1 year	**1 - 2 years**	**2 - 3 years**	**More than 3 years**
Projects in progress				
Integrated facility for development of PTFE	453.03	-	-	-
Thermal oxidation facility	108.39	-	-	-
Pharma intermediates plant	223.32	-	-	-
Dedicated facilities to produce agrochemicals intermediates	115.22	-	-	-
Capacity enhancement of TCF value chain	83.97	-	-	-
Others *	110.03	5.40	-	-
	1,093.96	**5.40**	**-**	**-**

	As at March 31, 2022			
	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress				
Chloromethanes plant	333.38	-	-	-
Augmentation of power and steam capacity	138.23	-	-	-
Others *	113.60	0.02	-	-
	585.21	**0.02**	**-**	**-**

* Comprises projects not considered material at an individual level.
Also refer note no. 2 (vii)

Notes to the Standalone Financial Statements
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3 GOODWILL

	Amount
Cost	
Balance at March 31, 2021	0.62
Additions	-
Disposals	-
Balance at March 31, 2022	**0.62**
Additions	-
Disposals	-
Balance at March 31, 2023	**0.62**
Accumulated impairment losses	
Balance at March 31, 2021	-
Additions (Refer to note 40)	0.62
Balance at March 31, 2022	**0.62**
Additions	-
Balance at March 31, 2023	**0.62**

	As at March 31, 2023	As at March 31, 2022
Carrying Amount	-	-
	-	-

4 OTHER INTANGIBLE ASSETS

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at March 31, 2021	**77.53**	**55.19**	**31.39**	**19.39**	**183.50**
Additions / adjustments	-	-	5.21	-	5.21
Disposals	(4.28)	-	(6.29)	-	(10.57)
Balance at March 31, 2022	**73.25**	**55.19**	**30.31**	**19.39**	**178.14**
Additions / adjustments	-	-	5.31	-	5.31
Disposals	-	-	-	-	-
Balance at March 31, 2023	**73.25**	**55.19**	**35.62**	**19.39**	**183.45**
Accumulated amortisation					
Balance at March 31, 2021	**19.21**	**7.65**	**28.21**	**18.55**	**73.62**
Amortisation expenses	2.45	1.70	2.76	0.05	6.96
Disposals	(4.28)	-	(6.29)	-	(10.57)
Balance at March 31, 2022	**17.38**	**9.35**	**24.68**	**18.60**	**70.01**
Amortisation expenses	2.45	1.70	3.16	0.05	7.36
Disposals	-	-	-	-	-
Balance at March 31, 2023	**19.83**	**11.05**	**27.84**	**18.65**	**77.37**
Carrying Amount					
Balance at March 31, 2021	**58.32**	**47.54**	**3.18**	**0.84**	**109.88**
Additions / adjustments	-	-	5.21	-	5.21
Disposals	-	-	-	-	-
Amortisation expenses	(2.45)	(1.70)	(2.76)	(0.05)	(6.96)
Balance at March 31, 2022	**55.87**	**45.84**	**5.63**	**0.79**	**108.13**
Additions / adjustments	-	-	5.31	-	5.31
Disposals	-	-	-	-	-
Amortisation expenses	(2.45)	(1.70)	(3.16)	(0.05)	(7.36)
Balance at March 31, 2023	**53.42**	**44.14**	**7.78**	**0.74**	**106.08**

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5 INVESTMENTS

	As at March 31, 2023	As at March 31, 2022
Non-current		
Investment in equity instruments		
Subsidiary companies	88.66	88.66
Others	4.16	4.16
	92.82	**92.82**
Aggregate book value of unquoted investments	92.82	92.82
Aggregate amount of impairment in value of investments	4.34	4.34
Current		
Investment in mutual funds	353.73	121.86
Investment in debentures / bonds	136.32	194.88
	490.05	**316.74**
Aggregate book value and market value of unquoted investments	353.73	121.86
Aggregate book value and market value of quoted investments	136.32	194.88

5.1 Investment in subsidiaries (at cost)

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of SRF Holiday Home Limited (A wholly owned subsidiary)	4,000,000	4.00	4,000,000	4.00
Equity shares of Euro 100 each fully paid up of SRF Global BV (A wholly owned subsidiary)	128,920	79.60	128,920	79.60
Equity shares of ₹ 10 each fully paid up of SRF Altech Limited (A wholly owned subsidiary)	5,000,000	5.00	5,000,000	5.00
Contribution in SRF Employees Welfare Trust (Controlled trust)	-	0.06	-	0.06
		88.66		**88.66**

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

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	4,221,535	4.22	4,221,535	4.22
Less: Impairment in value of investment		(4.22)		(4.22)
Equity shares of ₹ 10 each fully paid up of Vaayu Renewable Energy (Tapti) Private Limited	50,000	0.05	50,000	0.05
Equity shares of ₹ 10 each fully paid up of Suryadev Alloys & Power Private Limited	1,354,000	4.11	1,354,000	4.11
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	670,000	0.12	670,000	0.12
Less: Impairment in value of investment		(0.12)		(0.12)
		4.16		**4.16**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

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

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Unquoted investments (Current)				
ICICI Prudential P1543 Floating Interest Fund- Growth Plan	3,612,365	128.63	3,612,365	121.86
Axis Liquid Fund - Regular - Growth Plan	302,077	75.04	-	-
Aditya Birla Sun Life Liquid Fund - Regular - Growth Plan	2,085,916	75.05	-	-
Kotak Overnight Fund - Regular - Growth Plan	629,688	75.01	-	-
		353.73		**121.86**

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

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Quoted investments (Current)				
Bonds				
9.56% State Bank of India Perpetual Bonds 2023 of ₹ 10,00,000 each	500	50.36	500	52.33
8.99% Bank of Baroda Perpetual Bonds 2024 of ₹ 10,00,000 each	550	55.60	550	56.92
8.85% HDFC Bank Limited Perpetual Bonds 2022 of ₹ 10,00,000 each	-	-	500	50.08
8.50% State Bank of India Perpetual Bonds 2024 of ₹ 10,00,000 each	248	25.27	248	25.40
8.50% State Bank of India Perpetual Bonds 2025 of ₹ 10,00,000 each	50	5.09	50	5.11
Debentures				
9.50% non convertible debentures of Piramal Capital & Housing Finance Limited 2022 of ₹ 8,00,000 each	-	-	63	5.04
		136.32		**194.88**

6 LOANS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Non- current		
Loans to subsidiaries (Refer note 41(d)(iii))	246.63	395.33
Loans to officers *	28.54	3.83
Loans to employees	16.18	10.89
	291.35	**410.05**
Current		
Loans to subsidiaries (Refer note 41(d)(iii))	233.73	170.39
Loans to officers *	1.02	0.95
Loans to employees	8.60	7.08
Others (other than related parties)		
Credit impaired	2.74	2.74
Less : Provision for credit impaired loans	(2.74)	(2.74)
	243.35	**178.42**

* Officers as defined under sec 2 (59) of the Companies Act 2013

Notes to the Standalone Financial Statements
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(All amounts in ₹ Crores, unless otherwise stated)

7 OTHER FINANCIAL ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Non-Current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	-	60.65
- Interest rate swaps used for hedging	-	0.36
Other financial assets carried at amortised cost		
- Government grants and claims recoverable	15.86	15.86
- Deposit accounts with maturity beyond twelve months	-	30.00
- Security deposits		
Related parties (Refer note 32)	3.52	3.55
Other than related parties	45.95	30.11
	65.33	**140.53**
Current		
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	-	3.64
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	-	60.52
- Interest rate swaps used for hedging	0.89	3.16
Other financial assets carried at amortised cost		
- Insurance claim recoverable	3.60	1.06
- Government grants and claims recoverable	220.74	135.07
- Security deposits		
Other than related parties	1.24	1.26
- Others	14.17	21.80
	240.64	**226.51**

8 OTHER ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Non-Current		
Capital advances	183.02	188.60
Prepaid expenses	0.59	0.71
Goods and Services Tax and other taxes/duties paid under protest	25.79	18.05
Others	0.32	0.12
	209.72	**207.48**

Notes to the Standalone Financial Statements
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(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Current		
Prepaid expenses	22.02	14.50
Goods and Services tax recoverable	53.33	41.88
Export incentives recoverable	8.71	16.21
Deposits with customs and excise authorities	17.12	15.35
Advance to suppliers	105.66	90.78
Others	1.81	1.24
	208.65	**179.96**

9 INVENTORIES

(Valued at lower of cost and net realisable value)

	As at March 31, 2023	As at March 31, 2022
Raw material (including packing material)	893.08	855.01
Stock in progress	198.74	189.36
Finished goods	391.52	432.51
Stores and spares (including fuel)	349.58	267.95
Traded goods	15.75	6.05
	1,848.67	**1,750.88**
Goods-in-transit included above :		
Raw material (including packing material)	204.43	239.65
Finished goods	52.53	119.92
Stores and spares (including fuel)	2.66	2.50
Traded goods	2.46	4.83
	262.08	**366.90**

Notes

(i) The cost of inventories recognised as an expense includes ₹ 5.46 crores (Previous year: ₹ 3.18 crores) in respect of write-downs of inventory to net realisable value. The write downs is included in "Changes in inventories of finished goods, work-in-progress and stock-in-trade".

(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, 2023	As at March 31, 2022
Unsecured, considered good	1,436.38	1,350.99
Unsecured, credit impaired	2.64	2.28
Less: Loss allowance	(2.64)	(2.28)
	1,436.38	**1,350.99**

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. Generally credit period allowed is upto 120 days.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

(ii) Ageing of receivables :

Outstanding for following periods from due date of payment	As at March 31, 2023						
	Undisputed trade receivables - considered good	Undisputed trade receivables - credit impaired	Undisputed trade receivables - which have significant increase in credit risk	Disputed trade receivables - considered good	Disputed trade receivables - credit impaired	Disputed trade receivables - which have significant increase in credit risk	Total
Not due	1,259.15	-	-	-	-	-	1,259.15
Less than 6 months	177.23	-	-	-	-	-	177.23
6 months - 1 year	-	0.58	-	-	-	-	0.58
1 - 2 years	-	0.46	-	-	-	-	0.46
2 - 3 years	-	0.02	-	-	-	-	0.02
More than 3 years	-	1.58	-	-	-	-	1.58
	1,436.38	**2.64**	**-**	**-**	**-**	**-**	**1,439.02**

Outstanding for following periods from due date of payment	As at March 31, 2022						
	Undisputed trade receivables - considered good	Undisputed trade receivables - credit impaired	Undisputed trade receivables - which have significant increase in credit risk	Disputed trade receivables - considered good	Disputed trade receivables - credit impaired	Disputed trade receivables - which have significant increase in credit risk	Total
Not due	1,173.69	-	-	-	-	-	1,173.69
Less than 6 months	177.30	-	-	-	-	-	177.30
6 months - 1 year	-	0.01	-	-	-	-	0.01
1 - 2 years	-	1.06	-	-	-	-	1.06
2 - 3 years	-	-	-	-	-	-	-
More than 3 years	-	1.21	-	-	-	-	1.21
	1,350.99	**2.28**	**-**	**-**	**-**	**-**	**1,353.27**

(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, 2023 are of ₹ 1,020.76 crores (Previous year: ₹ 714.62 crores). The Company has derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the Company.

(iv) At March 31, 2023, the carrying amount of the receivable from the Company's most significant customer was ₹ 118.98 crores (Previous year: ₹ 113.21 crores)

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

11 CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Balances with banks		
Current accounts	122.35	97.94
Exchange earners foreign currency (EEFC) accounts	34.19	20.98
Deposit accounts with original maturity of three months or less*	370.00	200.00
Cash on hand	0.71	0.72
	527.25	**319.64**

* Also refer to note 15.

12 BANK BALANCES OTHER THAN ABOVE

	As at March 31, 2023	As at March 31, 2022
Earmarked balances		
- Margin money	1.44	1.95
- Unclaimed dividend accounts	6.83	6.72
Other deposit accounts		
- Deposit accounts with original maturity beyond three months upto twelve months	0.21	0.20
	8.48	**8.87**

13 SHARE CAPITAL

	As at March 31, 2023	As at March 31, 2022
Authorised share capital:		
320,000,000 (Previous Year - 320,000,000) Equity shares of ₹ 10 each	320.00	320.00
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
	336.00	**336.00**
Issued share capital:		
300,481,580 (Previous Year - 300,477,780) Equity Shares of ₹ 10 each	**300.48**	**300.48**
Subscribed capital:		
296,424,825 (Previous Year - 296,421,025) Equity Shares of ₹ 10 each fully paid up	296.42	296.42
Add: Forfeited shares - Amount originally paid up	1.02	1.02
	297.44	**297.44**

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for the year ended March 31, 2023
(All amounts in ₹ Crores, unless otherwise stated)

13.1 Fully paid equity shares

	Number of shares	Amount
Balance at March 31, 2021	59,245,205	59.24
Add : Movement during the year* (also refer note 34 on "Employee Share Based Payments")	237,175,820	237.18
Balance at March 31, 2022	**296,421,025**	**296.42**
Add : Movement during the year (refer note 34 on "Employee Share Based Payments")	3,800	^
Balance at March 31, 2023	**296,424,825**	**296.42**

^ Amount in absolute: ₹ 38,000

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

Bonus shares issued during the five years preceding the reporting date

* During the previous year, the Company had issued and allotted 236,980,820 fully paid up Bonus Equity shares of ₹ 10 each in the ratio of 4:1 (i.e. 4 Bonus Equity shares for every 1 existing equity share of the Company) to the shareholders who held shares on October 14, 2021 (Record date).

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, 2023, first interim dividend of ₹ 3.60 per share and second interim dividend of ₹ 3.60 per share were recognised as distributions to equity shareholders, aggregating ₹ 213.43 crores (Previous year: first interim dividend of ₹ 12 per share (before issue of bonus shares) and second interim dividend of ₹ 4.75 per share (post issue of bonus shares), aggregating ₹ 211.89 crores).

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

13.2 Details of equity shares held by the holding company

	Number of fully paid ordinary shares
As at March 31, 2023	
KAMA Holdings Limited, the Holding Company	149,645,000
As at March 31, 2022	
KAMA Holdings Limited, the Holding Company	150,245,000

Notes to the Standalone Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ Crores, unless otherwise stated)

13.3 Details of equity shares held by promoters:

Promoter name	Number of fully paid equity shares	% holding in that class of shares	% change during the year
As at March 31, 2023			
1. Arun Bharat Ram	137,500	0.05%	-
2. KAMA Holdings Limited	149,645,000	50.48%	(0.40)%
As at March 31, 2022			
1. Arun Bharat Ram	137,500	0.05%	400.00%*
2. KAMA Holdings Limited	150,245,000	50.69%	400.00%*

* Also refer to note 13.1 above.

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

Class of shares / Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	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	149,645,000	50.48%	150,245,000	50.69%

14 OTHER EQUITY

	As at March 31, 2023	As at March 31, 2022
General reserve	711.04	648.54
Retained earnings	7,643.98	5,841.95
Cash flow hedging reserve	(150.22)	34.49
Capital redemption reserve	10.48	10.48
Capital reserve	219.19	219.19
Debenture redemption reserve	-	62.50
Employee share based payment reserve	11.63	3.22
Reserve for equity instruments through other comprehensive income	(4.22)	(4.22)
Securities premium	509.56	509.56
Cost of hedging reserve	4.67	1.65
	8,956.11	**7,327.36**

14.1 General reserve

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	648.54	648.54
Increase / (decrease) during the year	62.50	-
Balance at end of year	**711.04**	**648.54**

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ Crores, unless otherwise stated)

14.2 Retained earnings

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	5,841.95	4,551.58
Profit for the year	2,023.36	1,507.01
Other comprehensive income arising from remeasurement of defined benefit obligation * (Refer note 33.2 (iv))	(7.90)	(4.75)
Payment of dividend on equity shares	(213.43)	(211.89)
Transfer to debenture redemption reserve	-	-
Balance at end of year	**7,643.98**	**5,841.95**

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 ₹ 4.24 crores (Previous year: ₹ 2.55 crore)

14.3 Cash flow hedging reserve

(Refer note 38.3.1 (C))

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	34.49	7.53
Recognised / (released) during the year	(252.29)	39.99
Income tax related to above	67.58	(13.03)
Balance at end of year	**(150.22)**	**34.49**

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, 2023	As at March 31, 2022
Balance at beginning of year	10.48	10.48
Increase / (decrease) during the year	-	-
Balance at end of year	**10.48**	**10.48**

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

Notes to the Standalone Financial Statements
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(All amounts in ₹ Crores, unless otherwise stated)

14.5 Capital reserve

	As at March 31, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
Balance at beginning of year	62.50	62.50
Transfer from retained earnings	-	-
Transfer to general reserve	(62.50)	-
Balance at end of year	**-**	**62.50**

The Company had issued non-convertible debentures which has been repaid during the year. The Company had created debenture redemption reserve out of the profits of the Company available for payment of dividend and the same has been transferred to General Reserve during the year.

14.7 Employee share based payment reserve

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	3.22	2.54
Increase / (decrease) during the year	8.41	10.91
Released on vesting of shares issued under employee share purchase scheme	-	(10.23)
Balance at end of year	**11.63**	**3.22**

The Company has allotted equity shares to certain employees and officers 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 and officers as part of their remuneration. Refer note 34 for further details of the scheme.

Notes to the Standalone Financial Statements
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14.8 Reserve for equity instruments through other comprehensive income

	As at March 31, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
Balance at beginning of year	509.56	736.25
Recognised on issue of equity shares	-	-
Utilisation on issue of bonus equity shares	-	(236.98)
Recognised on vesting of shares issued under employee share purchase scheme	-	10.29
Balance at end of year	**509.56**	**509.56**

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.

14.10 Cost of hedging reserve

(Refer note 38.3.1 (C))

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	1.65	0.62
Recognised / (released) during the year	3.81	1.48
Income tax related to above	(0.79)	(0.45)
Balance at end of year	**4.67**	**1.65**

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

Notes to the Standalone Financial Statements
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15 BORROWINGS

	As at March 31, 2023	As at March 31, 2022
Non-current		
Secured		
2,500 Nos. (Previous year: 2,500 Nos.), Three Months T Bill plus 188 bps, listed, secured, redeemable, non-convertible debentures of ₹ 10 lakhs each* (Refer note 15.1.1)	-	250.00
Term Loans from banks* ^ (Refer note 15.1.2)	1,982.57	1,461.15
Term Loans from others* (Refer note 15.1.3)	109.51	141.07
Less: Current maturities of long-term borrowings*	(365.55)	(662.49)
	1,726.53	**1,189.73**

* Above amount of borrowings are net of upfront fees paid ₹ 6.29 crores (Previous year: ₹ 2.39 crores).

^ Out of a term loan of ₹ 616.57 crores obtained towards the end of the current year, unutilised balance of ₹ 370 crores as on March 31, 2023 has been temporarily invested in fixed deposit with a bank. (Previous Year: Out of a term loan of ₹ 227.91 crores obtained towards the end of the year, unutilised balance of ₹ 200 crores as on March 31, 2022 was temporarily invested in fixed deposit with a bank.)

	As at March 31, 2023	As at March 31, 2022
Current		
Secured		
Loans repayable on demand from banks (Refer note 15.1.4.(i))	381.97	158.30
Current maturities of long-term borrowings	365.55	662.49
	747.52	**820.79**
Unsecured		
Loans repayable on demand from banks	565.21	464.38
Commercial papers from banks and others #	-	300.00
	565.21	**764.38**
	1,312.73	**1,585.17**

Maximum amount due during the year is ₹ 500.00 crores (Previous year: ₹ 500.00 crores)

The quarterly returns or statements of current assets filed by the Company with the banks are in agreement with the books of account of the Company.

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

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(All amounts in ₹ Crores, unless otherwise stated)

15.1 Details of security of the secured loans:

	Details of Loan	As at March 31, 2023#	As at March 31, 2022#	Security
1	Nil (Previous Year : 2,500), 3 Months T-Bill + 188 bps, Listed, Secured, Redeemable, Non-Convertible Debentures of the face value of 10 lakhs each * Terms and conditions a) Redeemable at face value in one single instalment at the end of 2nd year from the date of allotment. b) Coupon is payable on a quarterly basis every year.	-	250.00	Debentures 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). These debentures were repaid during the year and the charge was released.
2	Term loan from Banks *	1,988.70	1,463.21	**Moveable property** (a)(i) Out of the loans as at 2(i), loans aggregating to ₹ 1,988.70 crores (Previous Year – ₹ 1,008.83 crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets). (a)(ii) Out of the loans as at 2(i), loans aggregating to ₹ Nil (Previous Year – ₹ 454.38 crores) are in the process of being secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai(other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets). **Immoveable property** (b)(i) Out of the loans as at 2(i) loans aggregating to ₹ 259.69 crores (Previous Year – ₹ 516.71 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.

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(All amounts in ₹ Crores, unless otherwise stated)

Details of Loan	As at March 31, 2023#	As at March 31, 2022#	Security
			(b)(ii) Out of the loans as at 2(b)(i) loans aggregating to ₹ 188.83 crores (Previous Year – ₹ 289.09 crores) are additionally secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
3 Term loans from others	109.67	141.40	Loan of ₹ 109.67 crores (Previous Year – ₹ 141.40 crores) is secured by the hypothecation and equitable mortgage of Company's moveable and immoveable properties at Dhar in the State of Madhya Pradesh.
4 Loans repayable on demand from banks	381.97	158.30	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.

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

Gross of upfront fees paid ₹ 6.29 crores (Previous year - ₹ 2.39 crores).

15.2 Terms of loans

As at March 31, 2023

NON CURRENT BORROWINGS

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2024	Up to March 31, 2025	Up to March 31, 2026	From 2026 to 2028
Term loan from banks	Quarterly payments	Ranging from 0.94% to 5.75%	298.09	335.38	399.06	421.98
	Half yearly payments	At 1.23%	26.14	261.42	-	-
	Bullet	Floating rate; 5.45% as at March 31, 2023	-	246.63	-	-
Term loan from others	Half yearly payments	Floating rate; 5.84% as at March 31, 2023	43.83	43.83	22.01	-
			368.06	**887.26**	**421.07**	**421.98**

Amounts mentioned above are gross of upfront fees paid of ₹ 6.29 crores.

CURRENT BORROWINGS

Short term borrowings are either payable in installments within one year or repayable on demand. For short term borrowings, interest rate ranges from 0.26% to 10.78%.

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As at March 31, 2022

NON CURRENT BORROWINGS

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2023	Up to March 31, 2024	Up to March 31, 2025	From 2025 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	Floating rate at 5.63%	250.00	-	-	-
Term loan from banks	Quarterly payments	Ranging from 0.94% to 5.85%	334.19	270.02	205.28	122.54
	Half yearly payments	Fixed rate of 1.23%	24.08	24.08	240.82	-
	Bullet	Ranging from 1.18% to 6.65%	15.00	-	227.19	-
Term loan from others	Half yearly payments	Floating rate at 1.46%	40.38	40.38	40.38	20.27
			663.65	**334.48**	**713.67**	**142.81**

Amounts mentioned above are gross of upfront fees paid of ₹ 2.39 crores.

CURRENT BORROWINGS

Short term borrowings are either payable in installments within one year or repayable on demand. For short term borrowings, interest rate ranges from 0.26% to 4.05%.

Terms of repayment

1. Rupee term loans of ₹ 140.63 crores are repayable in 9 quarterly instalments from April 2023 (Previous year: ₹ 203.13 crores repayable in 13 quarterly instalments from April 2022).
2. Foreign currency term loan of ₹ 188.83 crores are repayable in 8 quarterly instalments from May 2023 (Previous year: ₹ 265.87 crores are repayable in 12 quarterly instalments from May 2022).
3. Foreign currency term loan of ₹ 44.04 crores are repayable in 3 quarterly instalments from April 2023 (Previous year: ₹ 94.66 crores are repayable in 7 quarterly instalments from April 2022).
4. Foreign currency term loan of ₹ 109.67 crores are repayable in 5 half yearly instalments from April 2023 (Previous year: ₹ 141.40 crores are repayable in 7 half yearly instalments from April 2022).
5. Foreign currency term loan of ₹ 26.82 crores are repayable in 1 quarterly instalments in April 2023 (Previous year: ₹ 109.29 crores are repayable in 5 quarterly instalments from April 2022).
6. Foreign currency term loan of ₹ 287.57 crores are repayable in 2 half yearly instalments from September 2023 and then 12 monthly instalments from April 2024 onwards. (Previous year: ₹ 288.99 crores is repayable in 4 half yearly instalments from September 2022 and then 12 monthly instalments from April 2024 onwards).
7. Foreign currency term loan of ₹ 246.63 crores are repayable in one bullet instalment in March 2025 (Previous year: ₹ 227.19 crores are repayable in one bullet instalment in March 2025).

Notes to the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

8 Foreign currency term loan of ₹ 232.12 crores are repayable in 16 quarterly instalments from June 2023 (Previous year: ₹ 227.19 crores are repayable in 17 quarterly instalments from March 2023).

9 Foreign currency term loan of ₹ 205.52 crores are repayable in 16 quarterly instalments from February 2024 (Previous year: Nil).

10 Foreign currency term loan of ₹ 616.54 crores are repayable in 9 quarterly instalments from February 2025 (Previous year: Nil).

11 Rupee term loans from banks of ₹ 8.22 crores was repaid in the current year (Previous year: ₹ 8.22 crores repayable in 2 quarterly instalments from June 2022).

12 Redeemable non convertible debenture of ₹ 250 crores was repaid in the current year (Previous year: ₹ 250 crores repayable in one bullet instalment in September 2022).

13 Foreign currency term loan from banks of ₹ 23.67 crores was repaid in the current year (Previous year: ₹ 23.67 crores is repayable in 1 quarterly instalment in June 2022).

14 Foreign currency term loan from banks of ₹ 15.00 crores was repaid in the current year (Previous year: ₹ 15.00 crores is repayable in one bullet instalment in June 2022).

16 PROVISIONS

	As at March 31, 2023	As at March 31, 2022
Non-Current		
Provision for employee benefits		
Provision for compensated absences (Refer note 33.3)	51.67	44.69
Provision for retention pay	0.17	0.17
	51.84	**44.86**
Current		
Provision for employee benefits		
Provision for compensated absences (Refer note 33.3)	6.28	5.42
	6.28	**5.42**

17 DEFERRED TAX (NET)

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

	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	70.13	79.54
Deferred tax liabilities	(819.47)	(692.58)
Deferred tax liabilities, net	**(749.34)**	**(613.04)**

Notes to the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

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

2022-23	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	17.16	(2.62)	-	-	14.54
Provision for credit impaired loans / receivables	0.57	0.09	-	-	0.66
MAT Credit Entitlement	58.45	94.13	-	(152.58)	-
Cash flow hedges / Cost of hedging reserve	-	-	49.04	-	49.04
Others	3.36	2.53	-	-	5.89
	79.54	**94.13**	**49.04**	**(152.58)**	**70.13**
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(661.89)	(135.48)	-	-	(797.37)
Investment in mutual funds	(11.94)	(0.96)	-	-	(12.90)
Cash flow hedges / Cost of hedging reserve	(17.75)	-	17.75	-	-
Others	(1.00)	(8.20)	-	-	(9.20)
	(692.58)	**(144.64)**	**17.75**	**-**	**(819.47)**
Total	**(613.04)**	**(50.51)**	**66.79**	**(152.58)**	**(749.34)**

2021-22	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	MAT Credit Entitlement utilised	Closing balance
Deferred tax assets					
Expenses deductible in future years	15.08	2.08	-	-	17.16
Provision for credit impaired loans / receivables	0.99	(0.42)	-	-	0.57
MAT Credit Entitlement	274.66	25.27	-	(241.48)	58.45
Others	3.10	0.26	-	-	3.36
	293.83	**27.19**	**-**	**(241.48)**	**79.54**
Deferred tax liabilities					
Property, plant and equipment and intangible assets	(603.82)	(58.07)	-	-	(661.89)
Investment in mutual funds	(10.85)	(1.09)	-	-	(11.94)
Cash flow hedges / Cost of hedging reserve	(4.27)	-	(13.48)	-	(17.75)
Others	(1.35)	0.35	-	-	(1.00)
	(620.29)	**(58.81)**	**(13.48)**	**-**	**(692.58)**
Total	**(326.46)**	**(31.62)**	**(13.48)**	**(241.48)**	**(613.04)**

Note:

As per the relevant accounting standards, the Company continues to reassess its MAT utilization and its recognition. Basis current profitability and reassessment of certain tax positions, the Company has recognized an additional MAT credit of ₹ 94.13 crores pertaining to earlier years (including ₹ 74.02 crores which was previously written off during the year 2020-21), and the same has also been utilised in current financial year.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

18 TRADE PAYABLES

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises#		
- Acceptances*	5.33	3.61
- Other than acceptances	62.46	52.37
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances*	417.05	192.59
- Other than acceptances	1,164.33	1,091.80
	1,649.17	**1,340.37**

Refer to note 18.1

* The Company participates in a supply chain financing arrangement (SCF) which is disclosed under trade payables / other financial liabilities enabling suppliers to take early payment by selling their receivables from the Company.

The Company has not derecognised the original liabilities to which the arrangement applies because neither a legal release was obtained nor the original liability and the payment terms are modified on entering into the arrangement. The Company therefore discloses such amounts within trade payables / other financial liabilities because the nature and function of the financial liability remains same.

Ageing of trade payables :

Outstanding for following periods from due date of payment	As at March 31, 2023				
	Dues of micro enterprises and small enterprises	Dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises	Total
Unbilled dues	-	317.95	-	-	317.95
Not due	67.79	1,203.18	-	-	1,270.97
Less than 1 year	-	58.56	-	-	58.56
1 - 2 years	-	0.19	-	-	0.19
2 - 3 years	-	0.21	-	-	0.21
More than 3 years	-	1.29	-	-	1.29
	67.79	**1,581.38**	**-**	**-**	**1,649.17**

Outstanding for following periods from due date of payment	As at March 31, 2022				
	Dues of micro enterprises and small enterprises	Dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises	Total
Unbilled dues	-	153.48	-	-	153.48
Not due	55.98	1,035.16	-	-	1,091.14
Less than 1 year	-	92.55	-	-	92.55
1 - 2 years	-	3.07	-	-	3.07
2 - 3 years	-	-	-	-	-
More than 3 years	-	0.13	-	-	0.13
	55.98	**1,284.39**	**-**	**-**	**1,340.37**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

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, 2023	As at March 31, 2022
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount**	127.90	108.82
- Interest due thereon	0.01	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED/ settled	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	0.01	-
- Interest remaining unpaid as at the end of the year	0.01	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues are actually paid, for the purpose of disallowance of a deductible expenditure	0.01	-

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

19 OTHER FINANCIAL LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Non-Current		
Derivatives carried at fair value through other comprehensive income		
Forward exchange contracts used for hedging	26.24	-
Payables to capital creditors		
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances*	133.23	153.53
	159.47	**153.53**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Current		
Interest accrued but not due on borrowings	13.25	3.70
Unpaid dividends^	6.83	6.72
Security deposits received	7.63	8.15
Payables to capital creditors		
Total outstanding dues of micro enterprises and small enterprises#		
- Acceptances*	0.67	10.56
- Other than acceptances	59.45	42.28
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances*	56.95	-
- Other than acceptances	97.04	60.36
Derivatives carried at fair value through profit and loss		
Forward exchange contracts used for hedging	6.98	-
Derivatives carried at fair value through other comprehensive income		
Forward exchange contracts used for hedging	34.48	-
Payable to banks towards early receipts from receivables sold	96.30	14.03
Others	3.41	2.35
	382.99	**148.15**

* Refer footnote to note 18

^ 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, 2023	As at March 31, 2022
Non - Current tax assets		
Advance tax (net of provision for tax)	**85.57**	**21.31**
Current tax liabilities		
Provision for tax (net of advance tax)	**11.65**	**9.75**

21 OTHER LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Non-current		
Deferred government grants*	29.20	-
	29.20	**-**
Current		
Contract liability (Refer note 39)	40.37	23.85
Statutory liabilities	29.13	30.78
Payable to gratuity trust (Refer note 33.2)	8.38	11.57
Other payables	18.35	41.36
	96.23	**107.56**

* Represents grants related to duty saved on import of capital goods under the Exports Promotion Capital Goods (EPCG) scheme. This is being amortised in profit and loss as and when the criteria of meeting export obligation as mentioned in EPCG license is fulfilled. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

22 REVENUE FROM OPERATIONS

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products		
Manufactured goods	11,681.60	9,696.55
Traded goods	124.49	140.00
	11,806.09	**9,836.55**
Other operating revenues		
Export and other incentives	86.14	48.42
Scrap sales	55.63	45.92
Provision/ liabilities no longer required written back	27.44	-
Material handling income	97.67	18.77
Other operating income	0.87	3.78
	267.75	**116.89**
	12,073.84	**9,953.44**

Reconciliation of revenue from sale of products with the contracted price

	Year ended March 31, 2023	Year ended March 31, 2022
Contracted price	11,996.22	9,920.88
Less: Discounts, allowances and claims	(190.13)	(84.33)
Sale of products	**11,806.09**	**9,836.55**

23 OTHER INCOME

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income		
- from customers	0.04	0.01
- on loans, deposits and investments	38.13	28.85
- on others *	21.73	3.33
Net gain on sale/ discarding of property, plant and equipment	6.19	3.09
Net gain on financial assets measured at fair value through profit and loss	9.10	7.06
Net foreign currency exchange fluctuation gains	-	71.40
Other non-operating income	30.87	21.57
	106.06	**135.31**

* Refer note no 29 (ii)

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

24.1 COST OF MATERIALS CONSUMED

	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock of raw materials	855.01	597.10
Add: Purchases of raw materials	5,542.59	5,006.17
Less: Closing stock of raw materials	893.08	855.01
Cost of materials consumed *	**5,504.52**	**4,748.26**

* including packing material

24.2 PURCHASES OF STOCK IN TRADE

	Year ended March 31, 2023	Year ended March 31, 2022
Purchase of stock in trade	109.72	137.27
	109.72	**137.27**

24.3 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the end of the year :		
Stock-in-Process	198.74	189.36
Finished goods	391.52	432.51
Traded goods	15.75	6.05
	606.01	**627.92**
Inventories at the beginning of the year :		
Stock-in-Process	189.36	148.97
Finished goods	432.51	284.77
Traded goods	6.05	0.93
	627.92	**434.67**
Net (increase) / decrease	**21.91**	**(193.25)**

25 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages, including bonus	563.38	521.20
Contribution to provident and other funds	39.15	35.98
Workmen and staff welfare expenses	72.90	72.69
Employee share based payment expense (Refer note 34)	8.76	28.61
	684.19	**658.48**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

26 FINANCE COST

	Year ended March 31, 2023	Year ended March 31, 2022
Interest cost ^		
- Non-convertible debentures	7.33	13.23
- Term loans and others	122.78	48.07
- Lease liabilities	8.92	8.69
Other borrowing costs	11.94	10.05
Exchange differences regarded as an adjustment to borrowing costs	24.85	14.41
	175.82	**94.45**

^ pertains to liabilities measured at amortised cost. The amount disclosed is net of interest capitalised during the year. Refer note 2(i)

27 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment	433.78	387.84
Depreciation of right-of-use assets	27.30	24.43
Amortisation of intangible assets	7.36	6.96
	468.44	**419.23**

28 OTHER EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Stores and spares consumed	65.07	63.01
Power and fuel	1,230.86	984.23
Labour production	49.31	46.08
Rent*	34.92	27.54
Repairs and maintenance		
- Buildings	8.25	7.68
- Plant and machinery	205.39	185.34
- Others	43.97	34.33
Insurance	52.65	38.37
Rates and taxes	6.40	11.92
Freight charges	442.33	420.82
Expenditure on corporate social responsibility**	28.63	19.06
Legal and professional charges	37.99	35.35
Travelling and conveyance	16.59	7.68
Directors' sitting fees	0.27	0.29
Selling commission	9.77	13.11
Credit impaired assets provided/ written off ***	0.52	0.76
Property, plant and equipment provided/ written off ^	3.54	11.48

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Auditor remuneration		
- Audit fees	0.82	0.65
- For limited review of unaudited financial results	0.54	0.54
- For Corporate governance and other certificates	0.07	0.07
- For tax audit	0.10	0.08
- Reimbursement of out of pocket expenses	0.12	0.10
Effluent disposal expenses	180.67	120.54
Net foreign currency exchange fluctuation loss	86.71	-
Miscellaneous expenses	53.95	40.24
	2,559.44	**2,069.27**

* Refer to note 37

** Refer to note 41(f)

*** Including amount of ₹ Nil written off during the year (Previous year: ₹ 2.43 crores utilised against provision)

^ Including ₹ 5.75 crores recognised during the previous year on fair valuation of assets classified as held for sale. Also refer to note 40

29 INCOME TAX RECOGNISED IN PROFIT AND LOSS

	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
In relation to current year	614.53	616.41
Adjustment in relation to earlier years	(32.54)	-
	581.99	**616.41**
Deferred tax		
- MAT credit entitlement (Refer notes (iii) and (iv) below)		
In relation to current year	(74.02)	-
Adjustment in relation to earlier years	(20.11)	(25.27)
	(94.13)	**(25.27)**
- Others		
In relation to current year	141.51	48.93
Adjustment in relation to earlier years	3.13	7.96
	144.64	**56.89**
Total tax expense	**632.50**	**648.03**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

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

	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	**2,655.86**	**2,155.04**
Income Tax Expenses @ 34.944% (Previous year: 34.944%)	928.06	753.06
Effect of deductions (research and development, share issue expenses and deductions under chapter VI A of Income Tax Act)	(126.53)	(79.28)
Effect of expenses that are not deductible in determining taxable profit	10.97	13.15
Recognition of MAT credit previously written off (refer note (iii) below)	(74.02)	-
Effect of lower tax rate on certain temporary differences pursuant to Section 115BAA of Income Tax Act	(55.83)	(21.59)
Others	(0.63)	-
Income tax expenses recognised in statement of profit and loss in relation to current year	**682.02**	**665.34**
Income tax credit recognised in statement of profit and loss in relation to earlier years (Refer notes below)	(49.52)	(17.31)
Total Income tax expenses recognised in profit and loss	**632.50**	**648.03**

Notes:

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

(ii) During the year, the Company has received a favourable income tax assessment order pertaining to a prior year. Based on the Order, the Company has recognised interest income of ₹ 20.15 crores as other income and has written back ₹ 32.17 crores as 'Adjustment in relation to earlier years' in the statement of profit and loss. Tax adjustments, if any, in relation to the pending assessments for certain other years, and involving a similar matter, will be considered in the year in which a requisite level of certainty is achieved.

(iii) As per the relevant accounting standards, the Company continues to reassess its MAT utilization and its recognition. Basis current profitability and reassessment of certain tax positions, the Company has recognized an additional MAT credit of ₹ 94.13 crores (including ₹ 74.02 crores which was previously written off during the year 2020-21), and the same has also been utilised in current financial year.

(iv) Previous year figures of Income Tax in relation to earlier years includes tax credit of ₹ 15.42 crores which is related to finalization and determination of deduction/allowance claimed for earlier years under Chapter-VIA of the Income-tax Act, 1961, for generation of power from captive power plants which is based on finalization of transfer pricing study /tax audit reports of the previous years.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

30 INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Year ended March 31, 2023	Year ended March 31, 2022
Arising on income and expense recognised in other comprehensive income		
Net (gain)/ loss on designated portion of hedging instruments in cash flow hedges	67.58	(13.03)
Cost of Hedging Reserve	(0.79)	(0.45)
Remeasurement of defined benefit obligation	4.24	2.55
	71.03	**(10.93)**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	66.79	(13.48)
Items that will not be reclassified to profit or loss	4.24	2.55
	71.03	**(10.93)**

31 CONTINGENT LIABILITIES AND COMMITMENTS

		As at March 31, 2023	As at March 31, 2022
a.	Claims against the Company not acknowledged as debts		
	Goods and services tax, excise duty, custom duty and service tax*	7.38	8.39
	Sales tax and entry tax **	15.60	19.17
	Income tax ***	304.78	22.26
	Others ****	11.01	10.40

* Amount deposited against contingent liability ₹ 1.20 crores (Previous year: ₹ 1.23 crores)

** Amount deposited against contingent liability ₹ 6.74 crores (Previous year: ₹ 6.74 crores)

*** Amount deposited against contingent liability ₹ 59.68 crores (Previous year: ₹ 2.98 crores). Contingent liability for the current year includes:

(i) Assessment / rectification orders received for assessment years 2017-18 and 2018-19 in which adjustments amounting to ₹ 277.31 crores and ₹ 167.43 crores respectively were made on account of transfer pricing adjustments, research and development expenditure and others etc. (in line with earlier years) and a demand of ₹ 1.20 crores and ₹ 11.03 crores was raised. These orders have a tax implication of ₹ 95.97 crores and ₹ 57.94 crores respectively (primarily due to reduction in MAT credit entitlement eligible for accumulation / subsequent utilization). The Company has filed appeal before Income Tax Appellate Tribunal against the said orders. Pursuant to a direction of the Hon'ble Delhi High Court, the Department of Scientific and Industries Research (DSIR) has approved the said R&D expenditure for which rectification is pending before Assessing Officer. Based on the facts of the case and the management's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

(ii) Intimation order u/s 143(1) received for assessment year 2021-22 in which adjustments of ₹ 307.03 crores have been made with a corresponding demand of ₹ 130.74 crores. Also a refund of ₹ 56.91 crores for different assessment years has been adjusted against the said demand. In view of the Company, these adjustments are technical errors for which the Company has filed rectification application before Assessing Officer and an appeal before CIT(Appeals). Based on the facts of the case and the management's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

**** Amount deposited against contingent liability ₹ 9.05 crore (Previous year: ₹ 0.42 crore). Contingent liability includes demand by Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. (MPPKVV Ltd) of ₹ 8.73 Crores (Previous year: ₹ 8.12 crores).

Notes to the Standalone Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

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 / goods and service tax amounting to ₹ 18.59 crores (Previous year: ₹ 18.86 crores) should not be levied. The Company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.

(ii) The Company has received a notice for assessment year 2018-19 on April 13, 2022 on account of non deduction of TDS on foreign payments involving an amount of ₹ 14.34 crores. Based on the facts of the case and the Company's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

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

Name of the subsidiary	Currency	Guarantee amount as at				Loan / payable outstanding against the guarantee as at			
		March 31, 2023		March 31, 2022		March 31, 2023		March 31, 2022	
		In Millions	In ₹ Crores^	In Millions	In ₹ Crores^^	In Millions	In ₹ Crores^	In Millions	In ₹ Crores^^
SRF Flexipak South Africa (Pty Limited	USD	-	-	8.00	60.58	-	-	-	-
SRF Global BV	USD	33.00	271.29	-	-	10.87	89.36	-	-
	USD	44.00	361.72	44.00	333.21	11.07	91.01	11.13	84.29
SRF Industries (Thailand) Limited	EUR	18.00	160.89	18.00	151.33	1.04	9.37	18.00	151.33
	EUR	12.76	114.06	12.76	107.27	9.87	88.21	5.84	49.10
	USD	17.20	141.40	17.20	130.26	12.79	105.15	15.12	114.50
SRF Europe Kft (Hungry)	EUR	22.00	196.65	22.00	184.95	-	-	-	-
	EUR	77.00	688.27	77.00	647.34	63.94	571.52	64.13	539.14

^ Converted using closing exchange rate - USD 82.21 and Euro 89.39

^^ Converted using closing exchange rate - USD 75.73 and Euro 84.07

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

e. Capital and other commitments

		As at March 31, 2023	As at March 31, 2022
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	532.35	913.41
(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 and EPCG scheme on import of capital items, remaining outstanding is ₹ 1,287.79 crores (Previous year: ₹ 721.78 crores).		

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

32 RELATED PARTY TRANSACTIONS

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

Ultimate Holding Entity
ABR Family Trust

Holding Company
KAMA Holdings Limited

Subsidiaries
SRF Holiday Home Limited
SRF Global BV
SRF Industries (Thailand) Limited
SRF Industex Belting (Pty) Limited
SRF Flexipak (South Africa) (Pty) Limited
SRF Europe Kft
SRF Employees Welfare Trust (Controlled trust)
SRF Altech Limited

Fellow subsidiaries#
KAMA Realty (Delhi) Limited
Shri Educare Limited
SRF Transnational Holding Limited

Post Employment Benefit Plans Trust#
SRF Limited Officers Provident Fund Trust
SRF Employees Gratuity Trust
SRF Officers Gratuity Trust

KMP of Holding Company#
Ekta Maheshwari
Jagdeep Singh Rikhy ***
Amitav Virmani ^^

Key management personnel (KMP)#
Arun Bharat Ram**
Ashish Bharat Ram
Kartik Bharat Ram
Tejpreet S Chopra
Lakshman Lakshminarayan
Vellayan Subbiah
Meenakshi Gopinath*
Pramod Gopaldas Gujarathi
Bharti Gupta Ramola
Yash Gupta
Puneet Yadu Dalmia
Raj Kumar Jain ****

Enterprises over which KMP have significant influence#
Havells India Limited ******

Enterprises over which KMP have control or joint control#
BLP Industry AI Private Limited
Parry Enterprises India Limited *****
SRF Foundation
SRF Welfare Trust

Relatives of KMP#
Sushil Ramola
Murugappan Vellayan Subbiah
Deeksha Amit Kalyani ^^
Salil Gupta ^^
Arun Bharat Ram^

Enterprises over which relative of KMP has control or joint control#
Murugappa & Sons

Relatives of KMP of Holding Company#
Nirmala Kothari
Meher Kaur Rikhy ^^
Palak Maheshwari ^^

Only with whom the Company had transactions during the year
* Upto August 31, 2021
** Upto March 31, 2022
*** From December 03, 2021
^^ From August 18, 2022
^ From April 01, 2022
**** From May 09, 2022
***** From June 15, 2022
****** From April 06, 2022

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

32.2 Transactions with related parties

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of goods to		
Subsidiaries	107.41	75.33
Enterprises over which KMP have control or joint control	-	0.04
Enterprises over which KMP have significant influence	15.26	-
	122.67	**75.37**
Purchase of goods from		
Subsidiaries	17.81	44.18
Enterprises over which KMP have significant influence	6.00	-
	23.81	**44.18**
Sale of property, plant & equipment and intangible assets to		
Subsidiaries	1.70	-
Fellow Subsidiaries	-	0.19
	1.70	**0.19**
Services rendered to		
Subsidiaries	15.34	13.97
	15.34	**13.97**
Receiving of Services from		
Relative of KMP	0.60	-
Enterprises over which KMP have control or joint control	0.64	0.19
	1.24	**0.19**
Rent paid to		
Fellow Subsidiaries	6.56	6.60
Subsidiaries	0.06	0.06
Relative of KMP	0.21	-
Key management personnel	0.05	0.26
Enterprises over which KMP have control or joint control	0.27	0.27
	7.15	**7.19**
Reimbursement of expenses from		
Holding Company	0.02	0.01
Subsidiaries	1.35	1.25
Fellow Subsidiaries	0.05	0.04
Enterprises over which KMP have control or joint control	0.01	-
	1.43	**1.30**
Advance Given to		
Enterprises over which KMP have control or joint control	0.24	-
	0.24	**-**
Loan given to		
Subsidiaries	278.16	230.20
	278.16	**230.20**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Loan received back		
Subsidiaries	404.89	277.41
	404.89	**277.41**
Interest received from		
Subsidiaries	18.80	8.37
	18.80	**8.37**
Deposits received back from		
Key management personnel	-	0.01
Fellow Subsidiaries	0.03	-
	0.03	**0.01**
Contribution for expenditure on corporate social responsibility		
Enterprises over which KMP have control or joint control	28.23	21.38
	28.23	**21.38**
Investments made in		
Subsidiaries	-	5.06
	-	**5.06**
Contribution to post employment benefit plans		
Post Employment Benefit Plans Trust	43.69	30.20
	43.69	**30.20**
Employee benefit obligations/assets transferred to		
Subsidiaries	0.39	-
Fellow Subsidiaries	-	0.20
	0.39	**0.20**
Equity dividend paid		
Holding Company	107.96	107.43
Key management personnel	0.05	0.15
Relative of KMP	0.24	0.11
KMP of Holding Company	*	*
Relative of KMP of Holding Company	^	^
Enterprises over which KMP have control or joint control	#	#
	108.25	**107.69**

* Amount in absolute ₹ 9,882 (Previous year : ₹ 1,095)

^ Amount in absolute ₹ 814 (Previous year : ₹ 358)

Amount in absolute ₹ 37,224 (Previous year : ₹ 36,966)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Bonus shares issued		
Holding Company (No. of shares : Nil ; previous year : 120,196,000)	-	-
Key management personnel (No. of shares : Nil ; previous year : 178,968)	-	-
Relatives of KMP (No. of shares : Nil ; previous year : 110,388)	-	-
KMP of Holding Company (No. of shares : Nil ; previous year : 76)	-	-
Relatives of KMP of Holding Company (No. of shares : Nil ; previous year : 40)	-	-
Enterprises over which relative of KMP has control or joint control (No. of shares : Nil ; previous year : 4,136)	-	-
	-	**-**
Guarantees issued / renewed		
Subsidiaries*	271.29	190.84
	271.29	**190.84**
Guarantees run-down / released		
Subsidiaries*	65.77	533.31
	65.77	**533.31**

* Converted using closing exchange rate - USD 82.21 and Euro 89.39 (Previous year USD - 75.73, Eur 84.07)

32.3 Outstanding Balances:

	As at March 31, 2023	As at March 31, 2022
Receivables		
Subsidiaries	33.57	8.82
Post Employment Benefit Plans Trust	1.31	11.48
Enterprises over which KMP have significant influence	2.22	-
	37.10	**20.30**
Payables		
Subsidiaries	1.16	5.15
Enterprises over which KMP have significant influence	0.44	-
Post Employment Benefit Plans Trust	9.86	13.30
	11.46	**18.45**
Interest receivable		
Subsidiaries	7.66	2.05
	7.66	**2.05**
Commission payable		
Key management personnel	17.16	18.90
	17.16	**18.90**
Security deposits outstanding		
Subsidiaries	0.02	0.02
Fellow Subsidiaries	3.24	3.27

Notes to the Standalone Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Relative of KMP	0.11	-
Key management personnel	0.01	0.12
Enterprises over which KMP have control or joint control	0.14	0.14
	3.52	**3.55**
Equity Investment outstanding		
Subsidiaries	88.66	88.66
	88.66	**88.66**
Loans outstanding		
Subsidiary	480.36	565.72
	480.36	**565.72**
Guarantees outstanding		
Subsidiaries*	1,934.28	1,614.94
	1,934.28	**1,614.94**

* Converted using closing exchange rate - USD 82.21 and Euro 89.39 (Previous year USD - 75.73, Eur 84.07)

32.4 Key management personnel compensation

	Year ended March 31, 2023	Year ended March 31, 2022
Short-term benefits*	36.03	34.88
Post-employment benefits	8.60	2.15
Other long-term benefits	3.40	1.19
	48.03	**38.22**

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

The above transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions

33 EMPLOYEE BENEFITS

33.1 Defined contribution plans:

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

	Year ended March 31, 2023	Year ended March 31, 2022
Superannuation fund (Refer to note (i) below)	0.45	0.59
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	16.72	15.11
Employees' State Insurance Corporation	0.30	0.40
National Pension Scheme	2.36	1.71
	19.83	**17.81**

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".

Notes to the Standalone Financial Statements
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(All amounts in ₹ Crores, unless otherwise stated)

(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. 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, 2023		As at March 31, 2022	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	7.35%	7.35%	7.16%	7.16%
Expected statutory interest rate	-	8.15%	-	8.10%
Salary increase	8.00%	-	8.00%	-
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, 2023		Year ended March 31, 2022	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	10.14	7.88	9.09	7.73
Interest expenses (net of expected return on plan assets)	0.83	-	0.30	-
	10.97	**7.88**	**9.39**	**7.73**

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ Crores, unless otherwise stated)

(iv) Amounts recognised in Other Comprehensive Income:

	Year ended March 31, 2023		Year ended March 31, 2022	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Actuarial (gain)/ losses on plan assets	2.33	-	(0.31)	-
Actuarial (gain)/ losses arising from changes in financial assumptions	(1.58)	-	3.71	-
Actuarial (gain)/ losses arising from changes in experience adjustments	11.39	-	3.90	-
	12.14	**-**	**7.30**	**-**

(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, 2023		As at March 31, 2022	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	127.68	178.17	107.45	155.50
Fair value of plan assets	119.30	179.86	95.88	157.64
Surplus/ (Deficit)	**(8.38)**	**1.69**	**(11.57)**	**2.14**
Effect of asset ceiling, if any	-	(1.69)	-	(2.14)
Net assets / (liability)	**(8.38)**	**-**	**(11.57)**	**-**

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

	Year ended March 31, 2023		Year ended March 31, 2022	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	107.45	155.50	98.72	158.91
Current service cost	10.14	7.88	9.09	7.73
Interest cost	7.69	12.99	6.60	12.42
Actuarial (gain)/ losses arising from changes in financial assumptions	(1.58)	-	3.71	-
Actuarial (gain)/ losses arising from changes in experience adjustments	11.39	-	3.90	-
Benefits paid	(7.29)	(15.42)	(14.57)	(39.82)
Contribution by plan participants/ employees	-	10.16	-	12.72
Settlement/ transfer in	(0.12)	7.06	-	3.54
Closing defined benefit obligation	**127.68**	**178.17**	**107.45**	**155.50**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023
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(vii) Movements in the fair value of plan assets are as follows:

	Year ended March 31, 2023		Year ended March 31, 2022	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	95.88	157.64	94.20	157.71
Return on plan assets (excluding amounts included in net interest expenses)	4.53	12.54	6.62	15.76
Contributions from employer	26.18	7.88	9.63	7.73
Contributions from plan participants	-	10.16	-	12.72
Benefits paid	(7.29)	(15.42)	(14.57)	(39.82)
Settlement/ transfer in	-	7.06	-	3.54
Closing fair value of plan assets	**119.30**	**179.86**	**95.88**	**157.64**

Gratuity:

Plan assets comprises primarily of investment in HDFC Group Unit Linked Plan fund and ICICI Prudential Life Fund. The average duration of the defined benefit obligation is 9.07 years (Previous year: 9.12 years). The Company expects to make a contribution of ₹ 11.64 crores (Previous year: ₹ 10.58 crores) to the defined benefit plans during the next financial year.

Provident fund:

The plan assets comprise of the following securities:

	As at March 31, 2023	As at March 31, 2022
Government Bonds	56.15%	55.33%
Public Sector Bonds	35.19%	35.09%
Other equity and Mutual Funds	8.66%	9.58%

(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, 2023		Year ended March 31, 2022	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Sensitivity analysis of Gratuity				
Discount rate	(4.00)	4.25	(3.54)	3.77
Expected salary growth	4.20	(4.00)	3.72	(3.53)
Sensitivity analysis of Provident Fund				
Discount rate	(0.01)	0.01	(0.01)	0.01

Notes to the Standalone Financial Statements
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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, 2023	Year ended March 31, 2022
Compensated absences	13.66	12.26
	13.66	**12.26**

Long Term Retention Pay

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

34 EMPLOYEE SHARE BASED PAYMENTS

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

The movement of number of equity shares granted, their fair value and the share based payment expense recognised during the year are as under:

	Year ended March 31, 2023	Year ended March 31, 2022
Number of equity shares:		
(i) At the beginning of the year	195,000	60,000
(ii) Impact of bonus issue of shares (Refer to note 13.1)	-	240,000
(iii) Granted during the year *	3,800	195,000
(iv) Released during the year ^	-	(300,000)
(v) At the end of the year	198,800	195,000
Market price on the grant date (₹ per equity share)	2,320.95	2,126.05
Exercise price (₹ per equity share)	10.00	10.00
Fair value of share based payment (₹ per equity share)	2,310.95	2,116.05
Share based payment expense recognised during the year ^ #	8.76	28.61

* Shares granted during the current year have a lock in period upto August 21, 2023 and those granted during the previous year had lock in period upto November 30, 2022. These shares are pledged for a period upto October 31, 2026.

^ During the previous year, the Nomination and Remuneration Committee based upon the recommendations of the management released 300,000 equity shares from pledge, resulting into immediate vesting of these shares. As a result, an additional amount of ₹ 6.72 crores had been recognised in the statement of profit and loss in previous year.

Includes amount of ₹ 0.35 crore (Previous year: ₹ 17.50 crores) towards withholding tax on equity shares granted under the above scheme.

Notes to the Standalone Financial Statements
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35 SEGMENT REPORTING

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

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

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

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

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments. These amounts relate to continuing operations, unless otherwise stated.

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, 2023	Year ended March 31, 2022
Segment revenue		
a) Technical textiles business (TTB)		
- External sales	1,891.25	2,073.33
- Inter-segment sales	2.63	11.91
Total	**1,893.88**	**2,085.24**
b) Chemicals business (CB)		
- External sales	7,326.01	5,212.26
- Inter-segment sales	-	-
Total	**7,326.01**	**5,212.26**

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	Year ended March 31, 2023	Year ended March 31, 2022
c) Packaging films business (PFB)		
- External sales	2,463.97	2,327.51
- Inter-segment sales	7.24	-
Total	**2,471.21**	**2,327.51**
d) Others		
- External sales	392.61	340.34
- Inter-segment sales	-	-
Total	**392.61**	**340.34**
Total segment revenue	**12,083.71**	**9,965.35**
Less: Inter segment revenue	9.87	11.91
Revenue from operations	**12,073.84**	**9,953.44**
Add: Unallocable income	106.06	135.31
Total revenue	**12,179.90**	**10,088.75**
Segment profits		
(Profit before interest and tax from each segment)		
a) Technical textiles business (TTB)	261.20	470.84
b) Chemicals business (CB)	2,340.30	1,397.35
c) Packaging films business (PFB)	332.35	482.72
d) Others	34.82	20.35
Total segment results	**2,968.67**	**2,371.26**
Less: i) Interest and finance charges	175.82	94.45
Less: ii) Other unallocable expenses net of income	136.99	121.77
Profit before tax	**2,655.86**	**2,155.04**
Capital expenditure		
a) Technical textiles business (TTB)	134.03	63.43
b) Chemicals business (CB)	2,141.82	1,292.68
c) Packaging films business (PFB)	224.21	416.20
d) Others	2.46	1.66
e) Unallocated	20.18	8.38
Total	**2,522.70**	**1,782.35**
Depreciation and amortisation		
a) Technical textiles business (TTB)	41.62	40.56
b) Chemicals business (CB)	334.80	303.59
c) Packaging films business (PFB)	70.36	54.72
d) Others	6.96	7.53
e) Unallocated	14.70	12.83
Total	**468.44**	**419.23**

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Segment assets and liabilities

	As at March 31, 2023	As at March 31, 2022
Segment assets		
a) Technical textiles business (TTB)	1,766.50	1,830.61
b) Chemicals business (CB)	9,623.78	7,154.46
c) Packaging films business (PFB)	2,181.83	2,198.19
d) Others	164.98	174.94
Total	**13,737.09**	**11,358.20**
Unallocable assets	1,814.32	1,577.02
Assets classified as held for sale	-	3.00
Total assets	**15,551.41**	**12,938.22**
Segment liabilities		
a) Technical textiles business (TTB)	391.76	416.95
b) Chemicals business (CB)	1,320.97	938.85
c) Packaging films business (PFB)	563.17	390.99
d) Others	52.53	37.02
Total	**2,328.43**	**1,783.81**
Unallocable liabilities	3,969.43	3,529.61
Total liabilities	**6,297.86**	**5,313.42**

B. Information about geographical business segments

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations		
- India	5,912.85	5,116.93
- Germany	406.16	382.97
- USA	2,050.48	1,399.61
- Belgium	871.88	528.32
- Switzerland	873.20	827.37
- Others	1,959.27	1,698.24
	12,073.84	**9,953.44**

	As at March 31, 2023	As at March 31, 2022
Non current segment assets		
- Within India	10,012.87	7,938.50
- Outside India	-	-
	10,012.87	**7,938.50**

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.

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During the year ended March 31, 2023 no customer contributed more than 10% to the Company's revenue (Previous year: Nil).

Revenue from major products	Year ended March 31, 2023	Year ended March 31, 2022
a) Technical textiles business (TTB)		
Nylon tyre cord fabric/ Polyester tyre cord fabric/ Belting fabric	1,630.11	1,880.90
Synthetic filament yarn including industrial yarn/ Twine	233.33	165.78
Others	0.84	5.16
b) Chemicals business (CB)		
Speciality chemicals	4,164.95	3,100.32
Fluorochemicals, Refrigerant gases and Allied products	2,557.00	1,695.53
Industrial chemicals	429.50	350.65
Others	0.25	0.01
c) Packaging films business (PFB)		
Packaging films	2,402.66	2,301.59
d) Others		
Laminated fabric, Coated fabric and other ancillary activities	387.45	336.61
	11,806.09	**9,836.55**

36 EARNINGS PER SHARE (EPS)

	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share	2,023.36	1,507.01
Weighted average number of equity shares for the purpose of calculating basic and diluted earnings per share (numbers)	296,423,669	296,306,696
Basic and diluted earnings per share of face value ₹ 10 each	68.26	50.86

Note:

During the previous year, Company had issued and allotted 236,980,820 fully paid up Bonus Equity shares of ₹ 10 each in the ratio of 4:1 (i.e. 4 Bonus Equity shares for every 1 existing equity share of the Company) to the shareholders who held shares on October 14, 2021 (Record date). Accordingly, basic and diluted earnings per share had been calculated based on the weighted average number of shares outstanding in the previous year, as adjusted by issuance of bonus shares.

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37 RIGHT-OF-USE ASSETS

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.

Particulars	Land *	Buildings	Plant & equipment	Total
Cost				
Balance at March 31, 2021	**151.29**	**46.25**	**49.89**	**247.43**
Additions / adjustments	4.88	(0.45)	58.59	63.02
Derecognition	-	-	(8.20)	(8.20)
Balance at March 31, 2022	**156.17**	**45.80**	**100.28**	**302.25**
Additions / adjustments	(0.10)	(0.37)	31.29	30.82
Derecognition	-	-	(5.70)	(5.70)
Balance at March 31, 2023	**156.07**	**45.43**	**125.87**	**327.37**
Accumulated amortisation				
Balance at March 31, 2021	**2.55**	**12.97**	**15.15**	**30.67**
Depreciation expenses	1.74	6.59	16.10	24.43
Derecognition	-	-	(8.20)	(8.20)
Balance at March 31, 2022	**4.29**	**19.56**	**23.05**	**46.90**
Depreciation expenses	1.78	6.83	18.69	27.30
Derecognition	-	-	(5.70)	(5.70)
Balance at March 31, 2023	**6.07**	**26.39**	**36.04**	**68.50**
Carrying Amount				
Balance at March 31, 2021	**148.74**	**33.28**	**34.74**	**216.76**
Additions / adjustments	4.88	(0.45)	58.59	63.02
Derecognition	-	-	-	-
Depreciation expenses	(1.74)	(6.59)	(16.10)	(24.43)
Balance at March 31, 2022	**151.88**	**26.24**	**77.23**	**255.35**
Additions / adjustments	(0.10)	(0.37)	31.29	30.82
Derecognition	-	-	-	-
Depreciation expenses	(1.78)	(6.83)	(18.69)	(27.30)
Balance at March 31, 2023	**150.00**	**19.04**	**89.83**	**258.87**

* Refer note 41(g)(ii)

Lease liabilities included in the Balance Sheet	As at March 31, 2023	As at March 31, 2022
Current	25.90	20.66
Non-current	96.53	95.18

The average incremental borrowing rate applied to lease liabilities during the year ranges from 7.75% to 8.75% (Previous year: ranges from 6.40% to 7.00%).

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Amounts recognised in Statement of Profit and Loss	Year ended March 31 2023	Year ended March 31 2022
Interest on lease liabilities	8.92	8.69
Depreciation expense	27.30	24.43
Expenses relating to short-term leases and leases of low-value assets (Refer note 28)	34.92	27.54

Amounts recognised in Cash Flow Statement	Year ended March 31 2023	Year ended March 31 2022
Total cash outflow for leases	32.47	25.68

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, 2023	As at March 31, 2022
Debt and lease liabilities	3,161.70	2,890.74
Less:		
Cash and cash equivalents	527.25	319.64
Deposit accounts with maturity beyond three months upto twelve months	0.21	0.20
Current investments	490.05	316.74
Net debt	**2,144.19**	**2,254.16**
Total equity	**9,253.55**	**7,624.80**
Net debt to equity ratio	**0.23**	**0.30**

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38.2 Financial instruments by category

Financial assets	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost						
Trade Receivables		a	1,436.38	1,350.99	1,436.38	1,350.99
Cash and cash equivalents		a	527.25	319.64	527.25	319.64
Bank balances other than above		a	8.48	8.87	8.48	8.87
Loans		a,b	534.70	588.47	534.70	588.47
Other financial assets		a,b	305.07	238.71	305.07	238.71
			2,811.88	**2,506.68**	**2,811.88**	**2,506.68**
Measured at Fair value through profit and loss						
Investments in mutual funds and bonds / debentures	2	d	490.05	316.74	490.05	316.74
Derivative instruments	2	d	-	3.64	-	3.64
			490.05	**320.38**	**490.05**	**320.38**
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	0.89	124.69	0.89	124.69
			5.05	**128.85**	**5.05**	**128.85**

Financial liabilities	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost						
Borrowings		a,c	3,039.26	2,774.90	3,006.09	2,774.90
Trade payables		a	1,649.17	1,340.37	1,649.17	1,340.37
Other financial liabilities		a,b	474.77	301.68	474.77	301.68
			5,163.20	**4,416.95**	**5,130.03**	**4,416.95**
Measured at Fair value through profit and loss						
Derivative instruments	2	d	6.98	-	6.98	-
			6.98	**-**	**6.98**	**-**
Measured at Fair value through Other comprehensive income						
Derivative instruments	2	d	60.72	-	60.72	-
			60.72	**-**	**60.72**	**-**

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The following methods/ assumptions are 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 and financial liabilities has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

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

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

(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, 2023 and March 31, 2022.

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 are 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 quoted forward exchange rates at the balance sheet date.

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(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
As at March 31, 2021	**4.16**
Purchase of investment	-
As at March 31, 2022	**4.16**
Purchase of investment	-
As at March 31, 2023	**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 Chairman and 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 / Chairman and 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.

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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:

	Assets		Liabilities		Net assets / (liabilities)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
USD	688.63	870.29	3,280.49	2,205.38	(2,591.86)	(1,335.09)
EUR	285.40	282.87	592.77	547.26	(307.37)	(264.39)
JPY	-	-	10.70	6.33	(10.70)	(6.33)
GBP	5.25	6.73	5.63	0.01	(0.38)	6.72

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. This analysis assumes that all other variables, in particular interest rates, remain constant. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2023		Year ended March 31, 2022	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) *				
USD	9.59	(9.59)	4.58	(4.58)
EUR	(0.91)	0.91	(1.11)	1.11
JPY	0.11	(0.11)	0.06	(0.06)
GBP	0.00	(0.00)	(0.07)	0.07

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

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	Year ended March 31, 2023		Year ended March 31, 2022	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on equity (Other Comprehensive Income)				
USD	16.32	(16.32)	8.62	(8.62)
EUR	3.98	(3.98)	3.75	(3.75)

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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
USD / INR Sell forward	278	362	633.00	735.50	2,643.59	2,821.04	2,596.61	3,095.66
EUR / USD Sell forward	3	-	4.50	-	39.70	-	-	-
EUR / INR Sell forward	1	1	20.00	20.00	202.77	-	-	202.77

* Computed using average forward contract rates

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

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	Year ended March 31, 2023		Year ended March 31, 2022	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) for the year				
USD	2.63	(2.63)	1.83	(1.83)
EUR	0.40	(0.40)	-	-
Impact on equity (Other Comprehensive Income)				
USD	50.67	(50.67)	56.31	(56.31)
EUR	1.80	(1.80)	1.81	(1.81)

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 ₹ 676.02 crores and floating interest loan is ₹ 1422.36 crores (Previous year: Fixed interest loan ₹ 938.35 crores and Floating interest loan ₹ 916.26 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, 2023		Year ended March 31, 2022	
	₹ loans interest rate increases by 0.50 %	Foreign currency loans interest rate increases by 0.15 %	₹ loans interest rate increases by 0.50 %	Foreign currency loans interest rate increases by 0.15 %
Decrease in profit before tax by	-	(2.13)	(1.29)	(0.99)

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

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Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Company had certain financial instruments which are impacted by the IBOR reform. During the previous year, the Company had renegotiated all working capital facilities agreements and moved to new benchmarks, wherever IBOR reforms had mandated.

As per the IBOR reform regulations, USD LIBOR based contracts entered into on or before December 31, 2021 are allowed to continue utilising the facility until the maturity date, provided such date is before June 30, 2023. As at March 31, 2023, the Company has two long term loan arrangements which are USD LIBOR benchmark linked and maturing after June 2023. The management of the Company has planned to prepay one of these loans and for the other loan, move to Secured Overnight Financing Rate (SOFR) benchmark prior to June 2023. Any related IRS contract would accordingly be amended. All the EUR denominated long term loans of the Company which are linked to EURIBOR have relevant benchmark replacement/ fall back clauses and do not require any amendment.

The management does not envisage any significant impact on the consolidated financial statements due to the migration.

Interest Rate Swap Contracts

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

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

					Maturity			
Outstanding Contracts	**No. of Deals**		**Contract value of foreign Currency (In Millions)**		**Up to 12 months Nominal Amount* (₹ Crores)**		**More than 12 months Nominal Amount* (₹ Crores)**	
	As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**
IRS Contracts (USD) *	2	4	7.18	20.28	59.00	90.76	-	62.79

* 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.

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C. Hedge accounting

Cash flow hedges

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

Hedging instruments	**As at March 31, 2023**			**Year ended March 31, 2023**	**As at March 31, 2022**			**Year ended March 31, 2022**
	Nominal amount	**Carrying amount Assets / (liabilities)**	**Line item where the hedging instrument is included**	**Change in the value of the hedging instrument recognised in OCI**	**Nominal amount**	**Carrying amount Assets / (liabilities)**	**Line item where the hedging instrument is included**	**Change in the value of the hedging instrument recognised in OCI**
Foreign exchange contracts	5,186.03	(60.72)	Other financial liabilities (current and non - current)	(181.89)	5,932.96	121.17	Other financial assets (current and non - current)	46.42
Foreign currency denominated creditors	182.44	(182.44)	Other financial liabilities (current and non-current)	(20.27)	-	-	-	-
Foreign currency denominated loans	1,848.11	(1,848.11)	Borrowings (current and non - current)	(57.50)	1,236.86	(1,236.86)	Borrowings (current and non - current)	8.20
Interest rate swap contacts	59.00	0.89	Other financial assets (current and non - current)	(2.63)	153.55	3.52	Other financial assets (current and non - current)	2.51
		-	Other financial liabilities (current and non - current)	-		-	Other financial liabilities (current and non - current)	0.54

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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, 2023			Year ended March 31, 2023	As at March 31, 2022			Year ended March 31, 2022
	Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in statement of profit and loss	Nominal amount	Carrying amount Assets / (liabilities)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in statement of profit and loss
Foreign exchange contracts	296.65	(6.98)	Other financial assets (current and non - current)	(10.63)	186.51	3.64	Other financial assets (current and non - current)	(0.74)

Movement of cash flow hedging reserve and cost of hedging reserve

Particulars	Cash flow hedging reserve		Cost of hedging reserve	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Opening Balance	34.49	7.53	1.65	0.62
Changes in the spot element of the forward contracts which is designated as hedging instruments for time period related hedge	(24.15)	(3.12)	-	-
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	-	-	14.15	20.83
Changes in fair value of forward contracts designated as hedging instruments recognised in OCI	(171.89)	28.77	-	-
Changes in fair value of interest rate swaps	(2.63)	3.05	-	-
Amount reclassified to Profit or Loss (Foreign exchange (gain) / loss)	41.61	16.54	(10.34)	(19.35)
Amount arising from remeasurement of financial liability	(95.23)	(5.25)	-	-
Taxes related to above	67.58	(13.03)	(0.79)	(0.45)
Closing Balance	**(150.22)**	**34.49**	**4.67**	**1.65**

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D Investment Risk

The primary goal of the Company's investment is to maintain liquidity along with meeting Company's strategic purposes. Depending upon the investment strategy at inception, management classifies certain investments as FVTPL. The following table details the Company's sensitivity to a 1% increase and decrease in the price of instruments.

	Year ended March 31, 2023		Year ended March 31, 2022	
	Market price increase by 1%	Market price decrease by 1%	Market price increase by 1%	Market price decrease by 1%
Impact on profit / (loss) for the year	4.90	(4.90)	3.17	(3.17)

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. The Company does not require collateral in respect of trade receivables, loans and contract assets.

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 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.

The derivatives are entered into with reputed and well established bank and financial institution counterparties.

The cash and cash equivalents and other bank balances are held with banks, financial institution and other counterparties, which are rated AA or above. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Company limits its exposure to credit risk by investing in liquid debt securities and only with counterparties that have a credit rating of at least AA or above. The Company permits exposure in corporate bonds only upto the specified amount as per its Board policy. Also, mutual fund investments are permitted only in those funds where the corpus size is more than ₹ 2,000 crores. The Company monitors its investment portfolio on continuous basis to assess whether there has been a significant increase in credit risk whether or not reflected in the published ratings.

Expected credit loss on financial assets:

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

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

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

	Note No.	As at March 31, 2023	As at March 31, 2022
Loans - current	6	2.74	2.74
Trade receivables	10	2.64	2.28
		5.38	**5.02**

Movement of loss allowance :

	Loans (current and non current)	Trade receivables
As at March 31, 2021	**2.74**	**3.96**
Provided during the year	0.17	0.59
Reversed / utilised during the year	(0.17)	(2.27)
As at March 31, 2022	**2.74**	**2.28**
Provided during the year	-	0.52
Reversed / utilised during the year	-	(0.16)
As at March 31, 2023	**2.74**	**2.64**

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

38.3.3 Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the Company to meet its financial obligations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of money market instruments, bank overdrafts, bank loans, debentures and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Chairman and 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 according to 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.

The Company has secured bank loans that contain loan covenants. A future breach of any covenants may require the Company to repay the loans earlier than their original payment date.These covenants are monitored by the treasury department and regularly reported to management to ensure compliance with the agreement.

The Company also participates in a supply chain financing arrangement (SCF) with the principal purpose of facilitating efficient payment processing of supplier invoices. The SCF allows the Company to centralise payments of trade payables to the bank rather than paying each supplier individually. While the SCF does not extend payment terms beyond the normal terms agreed with other suppliers that are not participating, the programme assists in making cash outflows more predictable. Also refer note 18.

Also refer note 10 for receivables purchase agreements entered into by the Company as a part of its liquidity risk management policy.

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

As at March 31, 2023	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
Borrowings*	1,400.94	1,849.34	-	3,250.28
Lease Liabilities**	34.38	92.89	44.75	172.02
Trade payables	1,649.17	-	-	1,649.17
Derivative Liabilities	41.46	26.24	-	67.70
Other financial liabilities	341.53	159.47	-	501.00
	3,467.48	**2,127.94**	**44.75**	**5,640.17**

As at March 31, 2022	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
Borrowings*	1,613.26	1,211.71	-	2,824.97
Lease Liabilities**	28.63	84.50	59.52	172.65
Trade payables	1,340.37	-	-	1,340.37
Derivative Liabilities	-	-	-	-
Other financial liabilities	148.15	153.53	-	301.68
	3,130.41	**1,449.74**	**59.52**	**4,639.67**

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

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

39 Contract balances

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

Contract liability	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	23.85	13.53
Revenue recognised that was included in the contract liability balance at the beginning of the period	(23.85)	(13.53)
Increase due to cash received, excluding the amount recognised as revenue during the period	40.37	23.85
	40.37	**23.85**

40 Assets classified as held for sale

(a) Description:

During the previous year, the management had decided to dispose off inoperative assets related to Industrial Yarn Unit. Accordingly, these assets were classified as assets held for sale in terms of Ind AS 105- "Non-current assets held for sale and discontinued operations" and recognised at their estimated fair value. Till March 31, 2021, these assets were reported under "Technical textiles business segment" in accordance with the requirements of Ind AS 108 – "Operating Segments" in the financial statements.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ Crores, unless otherwise stated)

(b) Assets classified as held for sale:

	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment	-	3.00

(c) Loss recognised on:

	Year ended March 31, 2023	Year ended March 31, 2022
(i) Impairment of goodwill	-	0.62
(ii) Fair value of assets classified as held for sale	-	5.75

41 ADDITIONAL DISCLOSURES

(a) RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹ 129.31 crores (Previous year: ₹ 116.99 Crores) included in these financial statements are as under:

	Year ended March 31, 2023	Year ended March 31, 2022
Capital expenditure	7.22	8.49
Revenue expenditure	122.09	108.50
	129.31	**116.99**

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

	Year ended March 31, 2023	Year ended March 31, 2022
Cost of material consumed	3.31	1.68
Salaries and wages, including bonus	51.23	49.11
Contribution to provident and other funds	3.21	2.92
Workmen and staff welfare expenses	8.92	3.37
Stores and spares consumed	3.66	4.94
Power and fuel	12.45	7.94
Rent	0.09	0.26
Repairs and maintenance		
- Buildings	0.01	-
- Plant and machinery	12.68	10.63
- Others	0.96	0.85
Insurance	1.06	1.02
Rates and taxes	0.08	0.06
Travelling and conveyance	1.58	0.51
Legal and professional charges	3.47	4.12
Depreciation and amortisation expense	14.19	16.65
Interest cost	0.07	0.05
Miscellaneous expenses	5.12	4.39
	122.09	**108.50**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ Crores, unless otherwise stated)

(b) MANAGERIAL REMUNERATION

	Year ended March 31, 2023	Year ended March 31, 2022
(i) (a) Remuneration to Chairman & Managing Director/ Joint Managing Director/ Whole time Director		
Salary and contribution to provident and other funds	25.02	16.39
Value of perquisites	2.18	2.58
Commission	16.00	18.00
SUB-TOTAL	**43.20**	**36.97**
(b) Remuneration to Non Executive Directors		
Commission	1.16	0.90
Directors' sitting fees	0.27	0.29
Other fees	-	0.06
SUB-TOTAL	**1.43**	**1.25**
TOTAL	**44.63**	**38.22**

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

	Year ended March 31, 2023	Year ended March 31, 2022
Profit before taxation	2,655.86	2,155.04
Add:		
Managerial remuneration including commission	44.63	38.22
Loss/ write off of fixed assets as per accounts	3.54	10.73
Provision for doubtful debts/ advances/ investments	0.52	(1.68)
Sub Total	**48.69**	**47.27**
Less:		
Profit on sale of fixed assets as per accounts	6.19	3.09
Net Gain on financial assets measured at FVTPL	9.10	7.06
Excess Provision written back	27.44	2.59
Sub Total	**42.73**	**12.74**
Profit as per section 197 of the Companies Act, 2013	**2,661.82**	**2,189.57**
Maximum remuneration as commission and/ or salary including perquisites @ 10% of net profit of ₹ 2,661.82 crores (Previous year: ₹ 2,189.57 crores) which can be paid to Managing Directors/ Whole time Directors under section 197 of the 2013 Act	266.18	218.96

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Remuneration paid/ payable to Managing Directors / Whole Time Directors	**43.20**	**36.97**
Maximum remuneration payable to Non-Executive Directors @ 1% of net profit of ₹ 2,661.82 crores (Previous year: ₹ 2,189.57 crores) under section 197 of the 2013 Act	26.62	21.90
Remuneration paid/ payable to Non-Executive Directors	**1.43**	**1.25**

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

Exchange loss/ (gain) added/ (adjusted)	Year ended March 31, 2023	Year ended March 31, 2022
Property, plant and equipment		
- Plant and equipment	10.53	5.90
	10.53	**5.90**

The cumulative exchange loss/ (gain) added/ (adjusted) and remaining unamortised as at March 31, 2023 is ₹ 120.43 Crores (Previous year: ₹ 122.66 Crores).

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

(i) Details of guarantees:

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

(ii) Details of investments:

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

(iii) Details of unsecured loans given:

Particulars of loans	Terms	As at March 31, 2023	As at March 31, 2022
SRF Global BV (denominated in USD) - given for repayment of existing borrowings and general corporate purpose	Principal amount repayable in March 2025 (Previous year: March 2023 to March 2025). Interest on a floating rate basis payable quarterly. The effective yield is in compliance with Section 186 of the Companies Act, 2013.		
As at the beginning of the year		397.58	438.90
Given during the year		-	227.45
Received back during the year		(181.69)	(274.66)
Foreign currency exchange fluctuation gain / (loss)		30.74	5.89
As at end of the year		246.63	397.58
Maximum balance outstanding		397.58	611.97
SRF Global BV (denominated in EUR) - given for repayment 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		168.14	171.55
Given during the year		-	-
Foreign currency exchange fluctuation gain / (loss)		10.63	(3.41)
As at end of the year		178.77	168.14
Maximum balance outstanding		178.77	171.55
SRF Altech Limited (denominated in INR) - given for general purpose and capital expenditure	Principal and interest is repayable on demand. Interest rate is 6.00% to 7.48%. (Previous year: Interest payable within 60 days from the end of calendar quarter at 5% per annum)		
As at the beginning of the year		-	-
Given during the year		278.16	2.75
Received back during the year		(223.20)	(2.75)
As at end of the year		54.96	-
Maximum balance outstanding		147.16	2.75

Notes to the Standalone Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ Crores, unless otherwise stated)

(e) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2023 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, 2023	Year ended March 31, 2022
(i)	Amount required to be spent by the company during the year	28.56	18.61
(ii)	Amount of expenditure incurred	28.63	19.06*
(iii)	Shortfall at the end of the year	-	-
(iv)	Total of previous years shortfall	-	-
(v)	Reason of shortfall	-	-
(vi)	Nature of CSR activities	School education, promotion of healthcare, olympic sports and art and cultural projects, vocational skills and livelihood projects, disaster management, environment project and other CSR projects	
(vii)	Details of related party transactions	28.23	21.38^
(viii)	Provision made with respect to a liability incurred by entering into a contractual obligation	-	-

^ Includes unspent amount of ₹ 2.70 crores for the year ended March 31, 2021.

*This includes ₹ 18.68 crores pertaining to financial year 2021-22 and ₹ 0.37 crore pertaining to financial year 2020-21. In accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Company had taken credit for ₹ 0.37 crore for excess CSR expenditure incurred during financial year 2019-20 and adjusted the same towards the CSR obligation for financial year 2020-21. However, the Ministry of Corporate Affairs (MCA), through its circular dated August 25, 2021, clarified that the companies cannot set off excess CSR amount spent prior to financial year 2020-21. Accordingly, an amount of ₹ 0.37 crore had been transferred in previous year to one of the specified funds prescribed under Schedule VII to the Companies Act, 2013 before September 30, 2021.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ Crores, unless otherwise stated)

(g) OTHER STATUTORY INFORMATION

(i) Analytical ratios:

		Year ended March 31, 2023	Year ended March 31, 2022	% change	Reason for change, wherever more than 25%
(i)	Current ratio (Total current assets / Total current liabilities)	1.44	1.35	6.62%	Not applicable
(ii)	Debt-equity ratio (Total debt including lease liabilities / Total equity)	0.34	0.38	(9.88)%	Not applicable
(iii)	Debt service coverage ratio [(Earnings before depreciation, interest and tax - current tax) / (Gross interest and lease payments + scheduled principal repayment of long term debts)]	3.09	4.06	(23.89)%	Not applicable
(iv)	Return on equity ratio (Profit after tax / Average equity)	23.98%	21.65%	10.73%	Not applicable
(v)	Inventory turnover ratio (Sale of products / Average inventory)	6.56	6.48	1.28%	Not applicable
(vi)	Trade receivables turnover ratio (Sale of products / Average trade receivables)	8.47	8.33	1.75%	Not applicable
(vii)	Trade payables turnover ratio (Purchases of raw materials / Average trade payables)	3.71	3.95	(6.05)%	Not applicable
(viii)	Net capital turnover ratio (Sale of products / Working capital)	7.77	8.82	(11.88)%	Not applicable
(ix)	Net profit ratio (Profit after tax / Total revenue from operations including other operating income)	16.76%	15.14%	10.68%	Not applicable
(x)	Return on capital employed [Earnings before interest and tax / (Total equity - other intangible assets - goodwill + total debt + deferred tax liability)]	21.68%	20.41%	6.23%	Not applicable
(xi)	Return on investment * (Income generated from investments / Weighted average investments)	6.02%	6.09%	(1.25)%	Not applicable

* Mutual funds, bonds and debentures are considered for the purpose of computing return on investment.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

(ii) Details of title deeds of immovable property not held in name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Right-of-use assets	Land at Bharuch, Dahej, Gujarat	₹ 108.16 Crores (carrying amount)	Gujarat Industrial Development Corporation (GIDC) at Dahej, Gujarat	No	From June 2009 onwards (by multiple allotment orders)	The execution of lease deed of land in respect of 1,165,437 square meters of leasehold land already allotted (out of a total of 1,181,776 square meters) to the Company is pending. As a process agreed with GIDC, the same will be executed once the entire / substantial portion of the above piece of land is allotted / handed over to the Company.

(iii) The Company does not have any transactions with companies which are struck off, except the following:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at March 31, 2023	Balance outstanding as at March 31, 2022	Relationship with the struck off company, if any
Jyotsna Engineers & Consultants Private Limited	Receivables	^	^	Vendor
Krishna Freeze Private Limited	Payables	0.02	0.01	Customer
Perfect Refcon & Tools Private Limited	Payables	0.01	0.01	Customer
Shree Krishna Well Pack Private Limited	Payables	0.03	-	Vendor
Shakun and Company Services Private Limited	Receivables	*	-	Vendor

^ Amount in absolute ₹ 2,000 (Previous year: ₹ 2,000)

* Amount in absolute ₹ 618 (Previous year: Nil)

(iv) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(v) The Company is not declared a wilful defaulter by any bank or financial institution or any other lender.

(vi) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(vii) The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

(viii) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ix) There are no funds which have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(x) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(xi) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(xii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

As per our report of even date attached

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

Kaushal Kishore
Partner
Membership No.: 090075

Place: Gurugram
Date : May 09, 2023

For and on behalf of the Board of Directors

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557

Bharti Gupta Ramola
Director
DIN - 00356188

Rahul Jain
President & CFO

Rajat Lakhanpal
Senior Vice President (Corporate Compliance) and Company Secretary

Place: Gurugram
Date : May 09, 2023

Independent Auditor's Report

To the Members of SRF Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of SRF Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2023 and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter

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

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

Other Information

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

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

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

Other Matters

a. We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 4,010.01 crores as at March 31, 2023, total revenues (before consolidation adjustments) of ₹ 2,882.97 crores and net cash outflows (before consolidation adjustments) amounting to ₹ 87.33 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

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

c. The financial statements/financial information of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 67.11 crores as at March 31, 2023, total revenues (before consolidation adjustments) of ₹ 140.17 crores and net cash outflows (before consolidation adjustments) amounting to ₹ 12.94 crores for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditor. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary, as was audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

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

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

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

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

a. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2023 on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements.

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

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2023. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by subsidiary companies incorporated in India during the year ended March 31, 2023.

d (i) The respective management of the Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary company that, to the best of its knowledge and belief, as disclosed in the Note 47(f)(i) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary company that, to the best of its knowledge and belief, as disclosed in the Note 47(f)(ii) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiaries only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

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

Kaushal Kishore
Partner
Membership No.: 090075
ICAI UDIN:23090075BGYUKT4193

Place: Gurugram
Date: 09 May 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of SRF Limited for the year ended March 31, 2023

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

Clause (xxi) of Companies (Auditor's Report) Order, 2020

In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

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

Kaushal Kishore
Partner
Membership No.: 090075
ICAI UDIN:23090075BGYUKT4193

Place: Gurugram
Date: 09 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of SRF Limited for the year ended March 31, 2023

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of SRF Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of report of the other auditor on internal financial controls with reference to financial statements of subsidiary company, as was audited by the other auditor, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective 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 respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of above matter.

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

Kaushal Kishore
Partner
Membership No.: 090075
ICAI UDIN:23090075BGYUKT4193

Place: Gurugram
Date: 09 May 2023

Consolidated Balance Sheet

as at March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	9,647.86	8,050.54
Right-of-use assets	43	287.21	255.35
Capital work-in-progress	4.1	2,405.54	1,671.63
Goodwill	5	-	-
Other intangible assets	6	114.73	119.40
Financial assets			
(i) Investments	7	4.16	4.16
(ii) Loans	8	44.82	14.72
(iii) Other financial assets	10	68.21	140.52
Deferred tax assets	9	18.65	11.60
Non current tax assets (net)	22	91.26	21.31
Other non-current assets	11	297.13	233.06
Total non-current assets		**12,979.57**	**10,522.29**
Current assets			
Inventories	12	2,274.29	2,138.47
Financial assets			
(i) Investments	7	490.05	316.74
(ii) Trade receivables	13	1,785.62	1,792.45
(iii) Cash and cash equivalents	14	607.98	450.48
(iv) Bank balances other than above	15	8.48	8.87
(v) Loans	8	11.02	8.80
(vi) Other financial assets	10	234.84	225.83
Other current assets	11	362.67	309.68
Total current assets		**5,774.95**	**5,251.32**
Assets classified as held for sale	42	**-**	**3.00**
TOTAL ASSETS		**18,754.52**	**15,776.61**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	297.44	297.44
Other equity	17	10,029.61	8,267.92
Total equity		**10,327.05**	**8,565.36**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	2,311.52	1,753.30
(ii) Lease liabilities	43	97.57	95.18
(iii) Other financial liabilities	21	159.47	153.86
Provisions	19	60.80	51.58
Deferred tax liabilities (net)	9	809.22	677.46
Other non-current liabilities	23	72.29	39.56
Total non-current liabilities		**3,510.87**	**2,770.94**

Consolidated Balance Sheet (CONTD.)

as at March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Current liabilities			
Financial liabilities			
(i) Borrowings	18	2,042.54	1,786.05
(ii) Lease liabilities	43	25.90	20.66
(iii) Trade payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		67.79	55.98
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,163.48	2,040.37
(iv) Other financial liabilities	21	485.56	371.70
Other current liabilities	23	108.79	143.97
Provisions	19	7.91	7.38
Current tax liabilities (Net)	22	14.63	14.20
Total current liabilities		**4,916.60**	**4,440.31**
Total Liabilities		**8,427.47**	**7,211.25**
TOTAL EQUITY AND LIABILITIES		**18,754.52**	**15,776.61**
Summary of significant accounting policies	**1-3**		
See accompanying notes to the consolidated financial statements	**4 to 47**		

As per our report of even date attached

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

Kaushal Kishore
Partner
Membership No.: 090075

Place: Gurugram
Date : May 09, 2023

For and on behalf of the Board of Directors

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557

Bharti Gupta Ramola
Director
DIN - 00356188

Rahul Jain
President & CFO

Rajat Lakhanpal
Senior Vice President (Corporate Compliance) and Company Secretary

Place: Gurugram
Date : May 09, 2023

Consolidated Statement of Profit and Loss

for the Year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenue from operations	24	14,870.25	12,433.66
II	Other income	25	74.93	115.51
III	**Total Income (I + II)**		**14,945.18**	**12,549.17**
IV	**Expenses**			
	Cost of materials consumed	26.1	7,125.21	6,171.10
	Purchases of stock-in-trade	26.2	277.22	175.59
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	26.3	(8.92)	(279.75)
	Employee benefits expense	27	813.80	780.00
	Finance costs	28	204.82	115.93
	Depreciation and amortisation expense	29	575.32	517.23
	Other expenses	30	3,133.74	2,483.52
	Total Expenses (IV)		**12,121.19**	**9,963.62**
V	**Profit before tax (III - IV)**		**2,823.99**	**2,585.55**
VI	**Tax expense**	31		
	Current tax		614.88	657.53
	Deferred tax			
	- MAT credit entitlement		(94.13)	(25.27)
	- Others		140.90	64.37
	Total tax expense		**661.65**	**696.63**
VII	**Profit for the year (V - VI)**		**2,162.34**	**1,888.92**
VIII	**Other comprehensive income**			
A	Items that will not be reclassified to profit or loss			
	(i) Gain /(loss) on remeasurements of the defined benefit obligation	17.2, 36.2	(11.95)	(7.47)
	Income tax on item (i) above	17.2, 32	4.24	2.55
B	Items that will be reclassified to profit or loss			
	(i) Exchange differences on translating financial statements of foreign operations	17.9	(7.32)	1.30
	(ii) Effective portion of gains / (losses) on designated portion of hedging instruments in a cash flow hedge	17.3	(252.41)	39.99
	Income tax on item (ii) above	32	67.58	(13.03)

Consolidated Statement of Profit and Loss (CONTD.)

for the Year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
	(iii) Cost of hedging reserve	17.4	5.02	(2.17)
	Income tax on item (iii) above	32	(0.79)	(0.45)
	Total other comprehensive income / (loss) for the year, net of taxes (A(i) + B(i+ii+iii))		**(195.63)**	**20.72**
IX	**Total comprehensive income for the year (VII + VIII)**		**1,966.71**	**1,909.64**
	Basic and Diluted earning per equity share (in ₹)	39	72.95	63.75
	Summary of significant accounting policies	**1-3**		
	See accompanying notes to the consolidated financial statements	**4 to 47**		

As per our report of even date attached

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

Kaushal Kishore
Partner
Membership No.: 090075

Place: Gurugram
Date : May 09, 2023

For and on behalf of the Board of Directors

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557

Bharti Gupta Ramola
Director
DIN - 00356188

Rahul Jain
President & CFO

Rajat Lakhanpal
Senior Vice President (Corporate Compliance) and Company Secretary

Place: Gurugram
Date : May 09, 2023

Consolidated Cash Flow Statement

for the Year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	2,823.99	2,585.55
	Adjustments for:		
	Finance costs	204.82	115.93
	Interest income	(44.70)	(24.00)
	Net gain on sale of property, plant and equipment	(6.00)	(2.90)
	Net gain on financial assets measured at fair value through profit and loss	(9.10)	(7.06)
	Credit impaired assets provided / (written back)	2.56	0.95
	Amortisation of grant income	(5.04)	(1.76)
	Depreciation and amortisation expense	575.32	517.23
	Property, plant and equipment and inventory discarded / provided	3.87	18.80
	Provision / liabilities no longer required written back	(27.44)	(2.71)
	Net unrealised currency exchange fluctuations loss /(gain)	(56.97)	(39.44)
	Employee share based payment expense	8.41	11.11
	Stamp duty on purchase of investments	0.07	0.08
	Adjustments for (increase) /decrease in operating assets :-		
	Trade receivables	(2.15)	(507.14)
	Inventories	(130.70)	(665.67)
	Loans (current)	(2.26)	(1.24)
	Loans (non-current)	(30.76)	(4.16)
	Other assets (current)	(118.05)	(23.11)
	Other assets (non-current)	(23.62)	(1.85)
	Adjustments for increase / (decrease) in operating liabilities :-		
	Trade payables	122.10	510.11
	Provisions	9.71	6.68
	Other liabilities (non-current)	(0.34)	0.34
	Other liabilities (current)	115.70	21.58
	Cash generated from operations	**3,409.42**	**2,507.32**
	Income taxes paid (net of refunds)	(507.71)	(401.60)
	Net cash generated from operating activities	**2,901.71**	**2,105.72**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payment made for acquisition of business by subsidiary (Refer note 46)	-	(9.96)
	Net sale / (purchases) of mutual funds	(164.21)	102.84
	Stamp duty on purchase of investments	(0.07)	(0.08)
	Interest received	27.25	31.60
	Bank balances not considered as cash and cash equivalents	27.49	104.98
	Payment for purchase of property, plant, equipment, capital work-in-progress and intangible assets	(2,838.18)	(1,832.07)
	Upfront payment made for acquisition of Right of use asset	(27.57)	-
	Proceeds from disposal of property, plant and equipment	13.88	14.95
	Net cash used in investing activities	**(2,961.41)**	**(1,587.74)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of shares	^^	0.20
	Proceeds from long term borrowings	932.42	533.15
	Repayment of long term borrowings	(758.78)	(470.94)
	Net proceeds / (repayment) of short term borrowings	486.22	84.98
	Dividends on equity share capital paid	(213.32)	(211.74)
	Principal payment towards lease liability	(32.47)	(25.68)
	Finance costs paid	(194.49)	(117.25)
	Net cash generated / (used in) from financing activities	**219.58**	**(207.28)**
D.	**EFFECT OF EXCHANGE RATE MOVEMENTS**	**(2.38)**	**1.49**
	Net increase in cash and cash equivalents	**157.50**	**312.19**
	Cash and cash equivalents at the beginning of the year	450.48	138.29
	Cash and cash equivalents at the end of the year (Refer to note 14)	**607.98**	**450.48**

Consolidated Cash Flow Statement (CONTD.)

for the Year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

Notes:

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

(ii) During the year, the Company paid in cash ₹ 28.63 crores (Previous year: ₹ 21.75 crores) towards corporate social responsibility (CSR) expenditure.

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

Particulars	As at March 31, 2022	Cash flow from financing activities	Non-cash changes						As at March 31, 2023
			Upfront fees amortised	Exchange fluctuation changes#	Finance cost#	Interim dividend declared	Lease liability recognised	Utilisation of securities premium	
Equity share capital	297.44	^^	-	-	-	-	-	-	297.44
Security Premium	509.56	-	-	-	-	-	-	-	509.56
Non current borrowings^	2,497.49	173.64	1.90	129.75	-	-	-	-	2,802.78
Current borrowings*	1,041.86	486.22	-	23.20	-	-	-	-	1,551.28
Interest accrued	4.47	(194.49)	-	-	204.82	-	-	-	14.80
Lease liability	115.84	(32.47)	-	-	8.99	-	31.11	-	123.47
Dividend	6.72	(213.32)	-	-	-	213.43	-	-	6.83
Total	**4,473.38**	**219.58**	**1.90**	**152.95**	**213.81**	**213.43**	**31.11**	**-**	**5,306.16**

Particulars	As at March 31, 2021	Cash flow from financing activities	Non-cash changes						As at March 31, 2022
			Upfront fees amortised	Exchange fluctuation changes#	Finance cost#	Interim dividend declared	Lease liability recognised	Utilisation of securities premium	
Equity share capital	60.26	0.20	-	-	-	-	-	236.98	297.44
Security Premium (net of issue expenses)	736.25	-	-	-	-	-	-	(226.69)	509.56
Non current borrowing^	2,425.26	62.20	2.24	7.79	-	-	-	-	2497.49
Current borrowings*	965.70	84.98	-	(8.82)	-	-	-	-	1041.86
Interest accrued	5.79	(117.25)	-	-	115.93	-	-	-	4.47
Lease liability	77.63	(25.68)	-	-	8.69	-	55.20	-	115.84
Dividend	6.57	(211.74)	-	-	-	211.89	-	-	6.72
Total	**4,277.46**	**(207.29)**	**2.24**	**(1.03)**	**124.62**	**211.89**	**55.20**	**10.29**	**4,473.38**

^^ Amount in absolute ₹ 38,000

^ including current maturities of long term borrowings

* excluding current maturities of long term borrowings

including amount capitalized

Summary of significant accounting policies **1-3**
See accompanying notes to the consolidated financial statements **4 to 47**

As per our report of even date attached

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

Kaushal Kishore
Partner
Membership No.: 090075

Place: Gurugram
Date : May 09, 2023

For and on behalf of the Board of Directors

Ashish Bharat Ram
Chairman and
Managing Director
DIN - 00671567

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557

Bharti Gupta Ramola
Director
DIN - 00356188

Rahul Jain
President & CFO

Rajat Lakhanpal
Senior Vice President
(Corporate Compliance)
and Company Secretary

Place: Gurugram
Date : May 09, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at March 31, 2021	**60.26**
Changes in equity share capital during the year	237.18
Balance at March 31, 2022	**297.44**
Changes in equity share capital during the year	^
Balance at March 31, 2023	**297.44**

^ Amount in absolute ₹ 38,000

(b) Other Equity

Particulars	Reserves and Surplus*							Items of other comprehensive income*				Total
	Capital reserve	General reserve	Capital redemption reserve	Debenture redemption reserve	Securities Premium	Employee share based payment reserve	Retained earnings	Exchange differences on translating financial statements of foreign operations	Equity instruments through other comprehensive income	Effective portion of cash flow hedge	Cost of hedging reserve	
Balance at March 31, 2021	193.77	648.77	10.48	62.50	736.25	2.52	5,113.66	21.77	(4.22)	7.53	3.13	6,796.16
Profit for the year	-	-	-	-	-	-	1,888.92	-	-	-		1,888.92
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(4.92)	1.30	-	26.96	(2.62)	20.72
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,884.00**	**1.30**	**-**	**26.96**	**(2.62)**	**1,909.64**
Dividend ^	-	-	-	-	-	-	(211.89)	-	-	-	-	(211.89)
Employee share based payments to employees	-	-	-	-	-	10.93	-	-	-	-	-	10.93
Recognised / (released) on vesting of shares issued under employee share purchase scheme	-	-	-	-	10.29	(10.23)	-	-	-	-	-	0.06
Utilisation on issue of bonus equity shares	-	-	-	-	(236.98)	-	-	-	-	-	-	(236.98)
Balance at March 31, 2022	**193.77**	**648.77**	**10.48**	**62.50**	**509.56**	**3.22**	**6,785.77**	**23.07**	**(4.22)**	**34.49**	**0.51**	**8,267.92**
Profit for the year	-	-	-	-		-	2,162.34	-	-	-		2,162.34
Other comprehensive income / (loss) for the year, net of income tax	-	-	-	-		-	(7.71)	(7.32)	-	(184.83)	4.23	(195.63)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,154.63**	**(7.32)**	**-**	**(184.83)**	**4.23**	**1,966.71**
Dividend ^	-	-	-	-	-	-	(213.43)	-	-	-	-	(213.43)
Employee share based payment expense	-	-	-	-	-	8.41	-	-	-	-	-	8.41
Transfer from Debenture redemption reserve to General reserve	-	62.50	-	(62.50)	-	-	-	-	-	-		-
Balance at March 31, 2023	**193.77**	**711.27**	**10.48**	**-**	**509.56**	**11.63**	**8,726.97**	**15.75**	**(4.22)**	**(150.34)**	**4.74**	**10,029.61**

* Refer note 17

^ Refer note 16.1

Summary of significant accounting policies **1-3**

See accompanying notes to the consolidated financial statements **4 to 47**

As per our report of even date attached

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

Kaushal Kishore
Partner
Membership No.: 090075

Place: Gurugram
Date : May 09, 2023

For and on behalf of the Board of Directors

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557

Bharti Gupta Ramola
Director
DIN - 00356188

Rahul Jain
President & CFO

Rajat Lakhanpal
Senior Vice President (Corporate Compliance) and Company Secretary

Place: Gurugram
Date : May 09, 2023

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

1 CORPORATE INFORMATION

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

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

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 09, 2023.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

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

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

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

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

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

The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the group gains control until the date when the group ceases to control the subsidiary.

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

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

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

Name of subsidiary	Country of incorporation	Proportion of ownership as at March 31, 2023	Proportion of ownership as at March 31, 2022
Indian Subsidiaries			
SRF Holiday Home Limited	India	100%	100%
SRF Altech Limited	India	100%	100%
SRF Employees Welfare Trust (Controlled Trust)	India	*	*
Foreign Subsidiaries			
SRF Global BV	Netherlands	100%	100%
SRF Europe Kft (100% subsidiary of SRF Global BV)	Hungary	100%	100%
SRF Industries (Thailand) Limited (100% subsidiary of SRF Global BV)	Thailand	100%	100%
SRF Industex Belting (Pty) Limited (100% subsidiary of SRF Global BV)	Republic of South Africa	100%	100%
SRF Flexipak (South Africa) (Pty) Limited (100% subsidiary of SRF Global BV)	Republic of South Africa	100%	100%

* By virtue of management control

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

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

The principal accounting policies are set out below.

2.2 Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to realised within twelve months after the reporting period
- 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
- It is due to be settled within twelve months after the reporting period.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The group classifies all other liabilities as non-current.

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

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

2.3 Property, plant and equipment (PPE)

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

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

Cost of acquisition or construction is inclusive of freight, duties, non recoverable taxes, incidental expenses and interest on borrowings 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, up to the date of commissioning of the assets. Excess of net sale proceeds of items produced over the cost of testing, if any, are not recognised in the profit or loss but deducted from the directly attributable costs of property, plant, and equipment.

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 of material and labour, related incidental expenses and attributable interest.

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

2.4 Depreciation

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

Depreciation has been provided on the cost of assets less their residual values on straight line method on the basis of estimated useful life of assets determined by the Group which are different from the useful life as prescribed in Schedule II of the 2013 Act. The estimated useful life of the assets have been assessed based on technical advice, taking into account

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ Crores, unless otherwise stated)

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:

Management's estimate of useful life

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

Freehold land is not depreciated.

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

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

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

2.5 Intangible Assets

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

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

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

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

Trademarks / Brand	10-30 years
Technical Knowhow	30-40 years
Software	3-5 years
Other intangibles	2.5-12 years

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

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

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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ Crores, unless otherwise stated)

2.6 Research and development expenditure

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

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

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

2.7 Goodwill

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

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

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

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

2.8 Impairment of tangible and intangible assets other than goodwill

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

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

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ Crores, unless otherwise stated)

transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

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

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

2.9 Leasing

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

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

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

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

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

The group reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

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

Group as lessee

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023
(All amounts in ₹ Crores, unless otherwise stated)

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 interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

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

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

Short-term leases and leases of low-value assets

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

2.10 Borrowing costs

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

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

In case of a specific borrowing taken for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised shall be the actual borrowing costs incurred during the period less any interest

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

income earned on temporary investment of specific borrowing pending expenditure on qualifying asset.

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

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

2.11 Foreign Currencies

Transaction and balances

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

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

(ii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016 Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance useful life of the assets.

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

2.12 Inventories

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

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

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

(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. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

The comparison of cost and net realisable value is made on an item-by-Item basis.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

2.13 Provisions, contingent liabilities and contingent assets

Provisions

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

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

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

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

Contingent liabilities

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

Contingent assets

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

2.14 Revenue recognition

Sale of goods and services

Revenue from sale of products, including scrap 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 over a period of time, as and when the underlying services are performed.

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

Any fees including upfront fees received in relation to contract manufacturing arrangements is recognised on straight line basis over the period over which the Group satisfies the underlying performance obligations. Contract assets are recognised when there is excess of revenue

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash as per contractual terms. Advance from customers ("contract liability") is recognised when the group has received consideration from the customer before it delivers the goods.

2.15 Taxation

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

a) Current tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss account i.e. in Other comprehensive income or equity.

b) Deferred tax

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

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

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

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

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

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

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

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

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

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

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

2.16 Government grants

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

A government grant that becomes receivable as compensation for expenses or losses is recognised in profit or loss on a systematic basis over the periods in which the group recognizes as expenses the related costs for which the grants are intended to compensate, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case the grant is recognised when it becomes receivable.

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

Revenue from export benefits arising from duty drawback scheme, remission of duties and taxes on exported product scheme are recognized on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable. The benefit accrued under the above scheme is included under the head "Revenue from Operations" under 'Export and other incentives'.

2.17 Employee benefits

Short term employee benefits

Wages and salaries including non monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the related services are rendered are measured at the undiscounted amount expected to be paid. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

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

Defined benefit plans

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

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

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

Other long term employee benefits

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

Share based payments

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

2.18 Earnings per share

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

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

2.19 Cash and cash equivalents

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

2.20 Financial instruments

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

Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL,transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

A) Financial Assets

Classification and Subsequent measurement

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

a) At amortised cost

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

c) At fair value through other comprehensive income (FVTOCI)- debt instrument or equity instrument.

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

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

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Equity investments

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

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

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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Derecognition

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

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

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

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

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

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

Impairment of financial assets

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

Notes to the Consolidated Financial Statements

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The Group considers a financial asset to be in default when the asset is unlikely to be realised in full.

Credit-impaired financial assets: At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default ;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL in the balance sheet:

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

B) Financial liabilities and Equity instruments

Initial recognition and measurement

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

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

Subsequent measurement

Borrowings

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

Trade and other payables

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

Offsetting of financial instruments

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are

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substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Equity Instruments

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

2.21 Derivative and Non Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The group uses derivative financial instruments (such as forward currency contracts, interest rate swaps and full currency swaps) or non derivative financial assets/liabilities to hedge its foreign currency risks and interest rate risks. The group has opted for "Hedge Accounting" for all its derivative as well as non-derivative financial instrument used for hedging. Accordingly, at the inception of the hedge the group formally designates a hedge relationship between the 'hedging instrument' and 'hedged item' which determine the initial recognition of the financial instrument as Fair Value Hedge or Cashflow hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency/reference interest rates, contract amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. In these hedge relationships, the main expected sources of ineffectiveness are :

a) the effect of the counterparties' and the Group's own credit risk on the fair value of the forward foreign exchange contracts or Swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates or interest rates and

b) changes in the timing of the hedged transactions.

Hedges entered into by group 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

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and later reclassified to profit and loss when the hedge item affects profit and loss.

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

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

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

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

Fair value hedges

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

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

Cash flow hedges

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

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

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

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

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

2.22 Fair value measurement

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

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

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

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

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

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

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

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

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

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

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2.23 Exchange differences on translating financial statements of foreign operations

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

2.24 Segment reporting

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

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

Segment Policies:

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

2.25 Dividend

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

2.26 Non-current assets held for sale and discontinued operations

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

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

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

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

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

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

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

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2.27 Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

If consideration transferred is less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

2.28 Interest and dividend income

Interest income is recognised when it is probable that the economic benefits will flow to the group using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset; or the amortised cost of the financial liability. Interest income is accrued on time basis, by reference to the principal outstanding.

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

2.29 Recent Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrows the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in

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accounting policies from changes in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

A) Judgements:

- Derecognition of trade receivables and hedge effectiveness- Note 2.20
- Classification and lease term determination of leasing arrangement – Note 2.9
- Reverse factoring: presentation of amounts related to supply chain financing arrangements in the balance sheet and in the statement of cash flows Note- 20
- Investments accounted for using the equity method: whether the Group has significant influence over an investee. Note- 2.1
- Consolidation: whether the Group has de facto control over an investee. Note- 2.1

B) Assumptions and estimation uncertainties:

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

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4 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Cost								
Balance at March 31,2021	387.30	98.26	1,213.64	7,567.16	33.38	73.14	44.31	**9,417.19**
Additions/adjustments	12.78	2.27	113.29	924.29	2.75	13.33	10.41	**1,079.12**
Disposals/adjustments	-	-	(5.84)	(60.90)	(0.54)	(3.92)	(4.85)	**(76.05)**
Effect of foreign currency exchange differences	(0.60)	(0.06)	(3.42)	(14.55)	0.03	0.07	(0.01)	**(18.54)**
Balance at March 31,2022	**399.48**	**100.47**	**1,317.67**	**8,416.00**	**35.62**	**82.62**	**49.86**	**10,401.72**
Additions/adjustments	19.78	17.52	169.11	1,822.74	3.86	13.84	31.70	**2,078.55**
Disposals/adjustments	(3.40)	-	(0.56)	(25.59)	(0.49)	(2.49)	(12.71)	**(45.24)**
Effect of foreign currency exchange differences	2.40	0.37	15.05	58.09	(0.05)	(0.12)	0.05	**75.79**
Balance at March 31,2023	**418.26**	**118.36**	**1,501.27**	**10,271.24**	**38.94**	**93.85**	**68.90**	**12,510.82**
Accumulated depreciation								
Balance at March 31,2021	-	9.99	133.95	1,695.25	13.54	41.66	25.59	**1,919.98**
Depreciation expenses	-	2.47	34.93	427.66	2.61	9.12	7.85	**484.64**
Disposals/adjustments	-	-	(0.63)	(46.40)	(0.32)	(3.54)	(3.63)	**(54.52)**
Effect of foreign currency exchange differences	-	0.01	0.37	0.59	0.02	0.10	(0.01)	**1.08**
Balance at March 31,2022	**-**	**12.47**	**168.62**	**2,077.10**	**15.85**	**47.34**	**29.80**	**2,351.18**
Depreciation expenses	-	2.73	40.08	474.16	2.81	9.07	9.87	**538.72**
Disposals/adjustments	-	-	(0.10)	(21.30)	(0.28)	(2.17)	(8.16)	**(32.01)**
Effect of foreign currency exchange differences	-	0.04	0.11	5.05	(0.00)	(0.16)	0.03	**5.07**
Balance at March 31,2023	**-**	**15.24**	**208.71**	**2,535.01**	**18.38**	**54.08**	**31.54**	**2,862.96**
Net block								
Balance at March 31,2022	**399.48**	**88.00**	**1,149.05**	**6,338.90**	**19.77**	**35.28**	**20.06**	**8,050.54**
Balance at March 31,2023	**418.26**	**103.12**	**1,292.56**	**7,736.23**	**20.56**	**39.77**	**37.36**	**9,647.86**

Notes:

(i) Borrowing cost capitalised during the year is ₹ 53.51 crores (Previous year: ₹18.41 crores) with a capitalisation rate ranging from 0.49% to 8.04% (Previous year: 0.40% to 3.55%).

(ii) The industrial freehold land measuring 32.41 acres at the group's plant in Gummudipoondi, Tamil Nadu had been acquired by the Company w.e.f. January 1, 2001 pursuant to a scheme of amalgamation sanctioned by the Hon'ble High court of Judicature at Madras and the Hon'ble High court of Delhi. Out of the said land, there is a dispute on a land parcel of 2.74 acres. Based on the legal documentation available, the management is of the view that the said dispute is not tenable.

(iii) Capital expenditure incurred during the year includes ₹ 7.22 crores (Previous year: ₹ 8.49 crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 47 (a) below.

(iv) Refer to note 18.1 for information on PPE pledged as security by the group. Additionally, non funded working capital facilities from banks amounting to ₹ 19.66 crores (previous year : ₹ 37.80 crores) are secured by hypothecation of Captive Power Plant (CPP) and HFC134A plant situated at Dahej in state of Gujarat.

(v) Refer to note 47 (c) for additions/adjustments on account of exchange difference during the year.

Notes to the Consolidated Financial Statements
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(vi) Capital work-in-progress

	As at March 31, 2023	As at March 31, 2022
Opening balance	1671.63	772.26
Additions during the year *	2812.46	1978.49
Less : Amount capitalised during the year	2078.55	1079.12
Closing balance	**2,405.54**	**1,671.63**

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

(vii) Disposals during the previous year include property, plant and equipment classified as assets held for sale. Refer note 42.

4.1 CAPITAL WORK-IN-PROGRESS (CWIP)

(i) Ageing of capital work-in-progress :

	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress					
As at March 31, 2023	2,113.22	236.61	46.96	8.75	**2,405.54**
As at March 31, 2022	1,554.87	102.92	13.84	-	**1,671.63**

(ii) CWIP completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan :

	As at March 31, 2023			
	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress				
Integrated facility for development of PTFE	453.03	-	-	-
Thermal oxidation facility	108.39	-	-	-
Pharma intermediates plant	223.32	-	-	-
Dedicated facilities to produce agrochemicals intermediates	115.22	-	-	-
Capacity enhancement of TCF value chain	83.97	-	-	-
Others *	181.45	5.40	-	-
	1,165.38	**5.40**	**-**	**-**

	As at March 31, 2022			
	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in progress				
Chloromethanes plant	333.38	-	-	-
Augmentation of power and steam capacity	138.23	-	-	-
Others *	164.04	0.02	-	-
	635.65	**0.02**	**-**	**-**

* Comprises projects not considered material at an individual level.
Also refer note no 4 (vi)

Notes to the Consolidated Financial Statements
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5 GOODWILL

	Amount
Cost	
Balance at March 31,2021	**4.12**
Additions	-
Disposals	-
Balance at March 31, 2022	**4.12**
Additions	-
Disposals	-
Balance at March 31, 2023	**4.12**
Accumulated impairment losses	**Amount**
Balance at March 31,2021	**3.50**
Additions (Refer note 42)	0.62
Disposals	-
Balance at March 31, 2022	**4.12**
Additions	-
Disposals	-
Balance at March 31, 2023	**4.12**

	As at March 31, 2023	As at March 31, 2022
Carrying Amount	-	-
	-	-

6 OTHER INTANGIBLE ASSETS

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at March 31, 2021	77.53	55.19	34.94	19.39	**187.05**
Additions / adjustments*	-	-	5.37	9.79	**15.16**
Disposals/adjustments	(4.28)	-	(6.29)	-	**(10.57)**
Balance at March 31, 2022	**73.25**	**55.19**	**34.02**	**29.18**	**191.64**
Additions / adjustments	-	-	5.54	-	**5.54**
Effect of foreign currency exchange difference			(0.08)	(1.09)	**(1.17)**
Disposals/adjustments	-	-	(0.19)	-	**(0.19)**
Balance at March 31, 2023	**73.25**	**55.19**	**39.29**	**28.09**	**195.82**
Accumulated amortisation					
Balance at March 31,2021	19.21	7.65	29.27	18.55	**74.68**
Amortisation expenses	2.45	1.70	3.90	0.11	**8.16**
Effects of foreign currency exchange differences	-	-	(0.03)	-	**(0.03)**
Disposals/adjustments	(4.28)		(6.29)		**(10.57)**
Balance at March 31, 2022	**17.38**	**9.35**	**26.85**	**18.66**	**72.24**
Amortisation expenses	2.45	1.70	4.10	0.79	**9.04**
Effects of foreign currency exchange differences	-	-	-	-	**-**
Disposals/adjustments	-	-	(0.19)	-	**(0.19)**
Balance at March 31, 2023	**19.83**	**11.05**	**30.76**	**19.45**	**81.09**
Net block					
Balance at March 31, 2022	**55.87**	**45.84**	**7.17**	**10.52**	**119.40**
Balance at March 31, 2023	**53.42**	**44.14**	**8.53**	**8.64**	**114.73**

Notes:

* "Other" intangible assets acquired through Business Combination during the previous year. (Refer note 46 below).

7 INVESTMENTS

	As at March 31, 2023	As at March 31, 2022
Non-current		
Investment in equity instruments	4.16	4.16
	4.16	**4.16**
Aggregate book value of unquoted investments	4.16	4.16
Aggregate amount of impairment in value of investments	4.34	4.34
Current		
Investment in mutual funds	353.73	121.86
Investment in bonds/Debentures	136.32	194.88
	490.05	**316.74**
Aggregate book value and market value of quoted investments	136.32	194.88
Aggregate book value and market value of unquoted investments	353.73	121.86

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

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	42,21,535	4.22	42,21,535	4.22
Less: impairment in value of investments		(4.22)		(4.22)
Equity Share of ₹ 10 each fully paid of Vaayu Renewable Energy (Tapti) Private Limited	50,000	0.05	50,000	0.05
Equity Shares of ₹ 10 each fully paid of Suryadev Alloys & Power Private Limited	13,54,000	4.11	13,54,000	4.11
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	6,70,000	0.12	6,70,000	0.12
Less: impairment in value of investments	-	(0.12)	-	(0.12)
		4.16		**4.16**

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

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Unquoted investments (Current)				
ICICI Prudential P1543 Floating Interest Fund- Growth Plan	36,12,365	128.63	36,12,365	121.86
Axis Liquid Fund- Regular Growth Plan	3,02,077	75.04	-	-
Aditya Birla Sun Life liquid Fund - Regular Growth Plan	20,85,916	75.05	-	-
Kotak Overnight Fund - Regular Growth Plan	6,29,688	75.01		
		353.73		**121.86**

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

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Quoted investments (Current)				
Debentures				
9.50% non convertible debenture of Piramal Capital & Housing Finance Limited 2022 of ₹ 8,00,000 each	-	-	63	5.04
Bonds				
8.85% HDFC Bank Limited Perpetual Bonds 2022 of ₹ 10,00,000 each	-	-	500	50.08
8.99% Bank of Baroda Perpetual Bonds 2024 of ₹ 10,00,000 each	550	55.60	550	56.92
9.56% State Bank of India Perpetual Bonds 2023 of ₹ 10,00,000 each	500	50.36	500	52.33
8.50% State Bank of India Perpetual Bonds 2024 of ₹ 10,00,000 each	248	25.27	248	25.40
8.50% State Bank of India Perpetual Bonds 2025 of ₹ 10,00,000 each	50	5.09	50	5.11
		136.32		**194.88**

8 LOANS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Non- current		
Loans to officers *	28.54	3.83
Loans to employees	16.28	10.89
	44.82	**14.72**
Current		
Loans to officers *	1.02	0.95
Loans to employees	10.00	7.85
Others (other than related parties)		
- Considered good	-	-
- Credit impaired	2.74	2.74
Less : Loss allowance	(2.74)	(2.74)
	11.02	**8.80**

* Officers as defined under Section 2(59) of the Companies Act 2013.

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9 DEFERRED TAX (NET)

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

	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	101.00	107.26
Deferred tax liabilities	(891.57)	(773.12)
Deferred tax liabilities, net	**(790.57)**	**(665.86)**
Net Deferred tax assets after set off	**18.65**	**11.60**
Net Deferred tax liabilities after set off	**809.22**	**677.46**

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

2022-23	Opening balance	Recognised in statement of profit and loss	MAT Credit Entitlement utilised	Recognised in other comprehensive income	Foreign currency translation reserve for the year	Closing Balance
Deferred tax assets						
Expenses deductible in future years	21.43	(5.65)	-	-	(0.41)	15.37
Provision for credit impaired loans / receivables	0.82	0.05	-	-	0.01	0.88
MAT Credit Entitlement	58.45	94.13	(152.58)	-	-	-
Cash flow hedges / Cost of hedging reserve	-	-	-	49.04	-	49.04
Unabsorbed carried forward losses	18.41	6.92	-	-	0.72	26.05
Others	8.15	2.05	-	-	(0.54)	9.66
	107.26	**97.50**	**(152.58)**	**49.04**	**(0.22)**	**101.00**
Deferred tax liabilities						
Property plant and equipment and intangible assets	(742.47)	(135.10)	-	-	8.07	(869.50)
Investment in mutual funds	(11.94)	(0.96)	-	-	-	(12.90)
Cash flow hedges / Cost of hedging reserve	(17.75)	-	-	17.75	-	-
Others	(0.96)	(8.21)	-	-	-	(9.17)
	(773.12)	**(144.27)**	**-**	**17.75**	**8.07**	**(891.57)**
Total	**(665.86)**	**(46.77)**	**(152.58)**	**66.79**	**7.85**	**(790.57)**

Notes to the Consolidated Financial Statements
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2021-22	Opening balance	Recognised in statement of profit and loss	MAT Credit Entitlement utilised	Recognised in other comprehensive income	Foreign currency translation reserve for the year	Closing Balance
Deferred tax assets						
Expenses deductible in future years	23.49	(2.27)	-	-	0.21	21.43
Provision for credit impaired loans / receivables	1.26	(0.44)	-	-	-	0.82
MAT Credit Entitlement	274.66	25.27	(241.48)	-	-	58.45
Unabsorbed carried forward losses	23.95	(4.92)	-	-	(0.62)	18.41
Others	8.34	(0.44)	-	-	0.25	8.15
	331.70	**17.20**	**(241.48)**	**-**	**(0.16)**	**107.26**
Deferred tax liabilities						
Property plant and equipment and intangible assets	(683.28)	(55.56)	-	-	(3.63)	(742.47)
Investment in mutual funds	(10.85)	(1.09)	-	-	-	(11.94)
Cash flow hedges / Cost of hedging reserve	(4.28)	-	-	(13.47)	-	(17.75)
Others	(1.31)	0.35	-	-	-	(0.96)
	(699.72)	**(56.30)**	**-**	**(13.47)**	**(3.63)**	**(773.12)**
Total	**(368.02)**	**(39.10)**	**(241.48)**	**(13.47)**	**(3.79)**	**(665.86)**

Notes:

(i) At March 31, 2023, there was no recognised deferred tax liability (Previous year : Nil) for taxes that would be payable on the unremitted earnings of certain of the Company's subsidiaries. The Company has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

(ii) As per the relevant accounting standards, the Company continues to reassess its MAT utilization and its recognition. Basis current profitability and reassessment of certain tax positions, the Company has recognized an additional MAT credit of ₹ 94.13 crores (including ₹ 74.02 crores which was previously written off during the financial year 2020- 21), and the same has also been utilised in current year.

Notes to the Consolidated Financial Statements
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10 OTHER FINANCIAL ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Non Current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	-	60.65
- Interest rate swaps used for hedging	-	0.36
Other financial assets carried at amortised cost		
- Security deposits		
Related parties (Refer note 35)	3.50	3.53
Other than related parties	45.95	30.12
- Government grant and claims recoverable	15.86	15.86
- Deposit accounts with maturity beyond twelve months	-	30.00
- Earmarked bank deposits -Margin money	2.90	-
	68.21	**140.52**
Current		
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	-	3.64
- Other forward exchange contracts	0.10	-
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	-	60.52
- Interest rate swaps used for hedging	0.89	3.16
Other financial assets carried at amortised cost		
- Security deposits		
Other than related parties	2.57	2.59
- Insurance claim recoverable	3.59	1.09
- Government grant and claims recoverable	222.05	135.07
- Others	5.64	19.76
	234.84	**225.83**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

11 OTHER ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Non-Current		
Capital advances	270.42	214.17
Prepaid expenses	0.60	0.72
Goods and services tax and other taxes/ duties paid under protest	25.79	18.05
Others	0.32	0.12
Total other non-current assets	**297.13**	**233.06**
Current		
Prepaid expenses	25.10	17.22
Value added tax/ Goods and services tax recoverable	142.66	135.25
Export incentives recoverable	8.71	16.21
Deposits with customs and excise authorities	22.55	15.52
Advance to suppliers	161.61	124.11
Others	2.04	1.37
Total other current assets	**362.67**	**309.68**

12 INVENTORIES

(Valued at lower of cost and net realisable value)

	As at March 31, 2023	As at March 31, 2022
Raw material (including packing material)	1,102.59	1,058.18
Stock in progress	239.56	237.41
Finished goods	476.19	535.44
Stores and spares (including fuel)	360.24	280.05
Traded goods	95.71	27.39
	2,274.29	**2,138.47**
Goods-in-transit, included above :		
Raw material (including packing material)	263.50	256.55
Finished goods	79.95	162.25
Stores and spares (including fuel)	2.66	2.51
Traded goods	2.46	9.62
	348.57	**430.93**

Notes:

(i) The cost of inventories recognised as an expense includes ₹ 8.67 crores.(Previous year : ₹ 5.92 crores) in respect of write-downs of inventory to net realisable value. The write downs is included in "Changes in inventories of finished goods, work-in-progress and stock-in-trade".

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

13 TRADE RECEIVABLES

Current	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good	1,785.62	1,792.45
Unsecured, credit impaired	5.30	3.45
Less: Loss allowance	(5.30)	(3.45)
	1,785.62	**1,792.45**

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

(ii) Ageing of receivables :

Outstanding for following periods from due date of payment	As at March 31, 2023						
	Undisputed Trade Receivables- considered good	Undisputed Trade Receivables- credit impaired	Undisputed Trade Receivables- having significant increase in credit risk	Disputed Trade Receivables- considered good	Disputed Trade Receivables- credit impaired	Disputed Trade Receivables- having significant increase in credit risk	Total
Not due	1,543.31	-	-	-	-	-	1,543.31
Less than 6 months	239.49	-	-	-	-	-	239.49
6 months- 1 year	2.82	0.57	-	-	-	-	3.39
1-2 Years	-	2.43	-	-	-	-	2.43
2-3 Years	-	0.02	-	-	-	-	0.02
More than 3 years	-	1.62	-	-	0.66	-	2.28
	1,785.62	**4.64**	**-**	**-**	**0.66**	**-**	**1,790.92**

Outstanding for following periods from due date of payment	As at March 31, 2022						
	Undisputed Trade Receivables- considered good	Undisputed Trade Receivables- credit impaired	Undisputed Trade Receivables- having significant increase in credit risk	Disputed Trade Receivables- considered good	Disputed Trade Receivables- credit impaired	Disputed Trade Receivables- having significant increase in credit risk	Total
Not due	1,565.03	-	-	-	-	-	1,565.03
Less than 6 months	226.00	-	-	-	-	-	226.00
6 months- 1 year	1.42	0.08	-	-	-	-	1.50
1-2 Years	-	2.13	-	-	-	-	2.13
2-3 Years	-	-	-	-	-	-	-
More than 3 years	-	0.52	-	-	0.72	-	1.24
	1,792.45	**2.73**	**-**	**-**	**0.72**	**-**	**1,795.90**

(iii) The group has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the group in the receivables as identified. Receivables sold as on March 31, 2023 are of ₹ 1,105.22 crores (Previous year: ₹ 756.96 crores). The group has derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the group.

(iv) At March 31, 2023, the carrying amount of the receivable from the Group's most significant customer is ₹118.98 crores (Previous year: ₹113.21 crores).

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

Notes to the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

14 CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
Current accounts	151.63	228.70
Exchange earners foreign currency (EEFC) accounts	34.77	20.97
Deposit accounts with original maturity of three months or less *	420.78	200.00
Cash on hand	0.80	0.81
	607.98	**450.48**

*Also refer to note no.18

15 BANK BALANCES OTHER THAN ABOVE

	As at March 31, 2023	As at March 31, 2022
Earmarked balances		
- Margin money	1.44	1.95
- Unclaimed dividend accounts	6.83	6.72
Other deposit accounts		
-Deposit accounts with original maturity beyond three months upto twelve months	0.21	0.20
	8.48	**8.87**

16 SHARE CAPITAL

	As at March 31, 2023	As at March 31, 2022
Authorised share capital:		
32,00,00,000 (Previous Year - 32,00,00,000) Equity shares of ₹ 10 each	320.00	320.00
10,00,000 (Previous Year - 10,00,000) Preference shares of ₹ 100 each	10.00	10.00
12,00,000 (Previous Year - 12,00,000) Cumulative Preferences shares of ₹ 50 each	6.00	6.00
	336.00	**336.00**
Issued capital:		
30,04,81,580 (Previous Year - 30,04,77,780) Equity Shares of ₹ 10 each	**300.48**	**300.48**
Subscribed capital:		
29,64,24,825 (Previous Year - 29,64,21,025) Equity Shares of ₹ 10 each fully paid up	296.42	296.42
Add: Forfeited shares - Amount originally paid up	1.02	1.02
	297.44	**297.44**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

16.1 Fully paid equity shares

	Number of shares	Amount
Balance at March 31, 2021	5,92,45,205	**59.24**
Add : Movement during the year*	23,71,75,820	237.18
Balance at March 31, 2022	**29,64,21,025**	**296.42**
Add : Movement during the year (Also refer note 37 on "Employee Share Based Payments")	3,800	^
Balance at March 31, 2023	**29,64,24,825**	**296.42**

^ Amount in absolute : ₹ 38,000

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

Bonus shares issued during the five years preceding the reporting date

*'During the previous year, Company had issued and allotted 23,69,80,820 fully paid up Bonus Equity shares of ₹ 10 each in the ratio of 4:1 (i.e. 4 Bonus Equity shares for every 1 existing equity share of the Company) to the shareholders who held shares on October 14, 2021 (Record date).

Terms/ rights attached to equity shares :

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

During the year ended March 31, 2023, first interim dividend of ₹ 3.60 per share and second interim dividend of ₹ 3.60 per share were recognised as distributions to equity shareholders, aggregating ₹ 213.43 crores (Previous year: first interim dividend of ₹ 12 per share (before issue of bonus shares), and second interim dividend of ₹ 4.75 per share (post issue of bonus shares) aggregating ₹ 211.89 crores).

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

16.2 Details of equity shares held by the holding Company

	Number of fully paid ordinary shares
As at March 31, 2023	
KAMA Holdings Limited, the Holding Company	14,96,45,000
As at March 31, 2022	
KAMA Holdings Limited, the Holding Company	15,02,45,000

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

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

Class of shares / Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	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	14,96,45,000	50.48%	15,02,45,000	50.69%

16.4 Details of equity shares held by Promoters

Name of Promoter	Number of fully paid equity shares held	% holding in that class of shares	% change during the year
As at March 31, 2023			
1. KAMA Holdings Limited	14,96,45,000	50.48%	(0.40)%
2. Mr. Arun Bharat Ram	1,37,500	0.05%	-
As at March 31, 2022			
1. KAMA Holdings Limited	15,02,45,000	50.69%	400% *
2. Mr. Arun Bharat Ram	1,37,500	0.05%	400% *

* Also refer note 16.1 above

17 OTHER EQUITY

	As at March 31, 2023	As at March 31, 2022
General reserve	711.27	648.77
Retained earnings	8,726.97	6,785.77
Cash flow hedging reserve	(150.34)	34.49
Cost of hedging reserve	4.74	0.51
Capital redemption reserve	10.48	10.48
Capital reserve	193.77	193.77
Debenture redemption reserve	-	62.50
Foreign currency translation reserve	15.75	23.07
Reserve for equity instruments through other comprehensive income	(4.22)	(4.22)
Employee share based payment reserve	11.63	3.22
Securities premium	509.56	509.56
	10,029.61	**8,267.92**

17.1 General reserve

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	648.77	648.77
Increase/(decrease) during the year	62.50	-
Balance at end of year	**711.27**	**648.77**

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

Notes to the Consolidated Financial Statements
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(All amounts in ₹ Crores, unless otherwise stated)

17.2 Retained earnings

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	6,785.77	5,113.66
Profit for the year	2,162.34	1,888.92
Other comprehensive income arising from measurement of defined benefit obligation* (Refer note 36.2 (iv))	(7.71)	(4.92)
Payments of dividend on equity shares	(213.43)	(211.89)
Balance at end of year	**8,726.97**	**6,785.77**

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

* net of income tax of ₹ 4.24 crores. (Previous year : ₹ 2.55 crores)

17.3 Cash flow hedging reserve

(Refer note 40.3.1 (C))

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	34.49	7.53
Recognized/(released) during the year	(252.41)	39.99
Income tax related to above	67.58	(13.03)
Balance at end of year	**(150.34)**	**34.49**

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

17.4 Cost of hedging reserve

(Refer note 40.3.1 (C)

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	0.51	3.13
Recognized/(released) during the year	5.02	(2.17)
Income tax related to above	(0.79)	(0.45)
Balance at end of year	**4.74**	**0.51**

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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

17.5 Capital redemption reserve

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	10.48	10.48
Increase/(decrease) during the year	-	-
Balance at end of year	**10.48**	**10.48**

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

17.6 Capital reserve

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	193.77	193.77
Increase/(decrease) during the year	-	-
Balance at end of year	**193.77**	**193.77**

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

17.7 Debenture redemption reserve

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	62.50	62.50
Increase/(decrease) during the year	(62.50)	-
Balance at end of year	**-**	**62.50**

The Company had issued non-convertible debentures which has been repaid during the year. The Company had created debenture redemption reserve out of the profits of the Company available for payment of dividend and the same has been transferred to General Reserve during the year.

17.8 Reserve for equity instruments through other comprehensive income

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	(4.22)	(4.22)
Increase/(decrease) during the year	-	-
Balance at end of year	**(4.22)**	**(4.22)**

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

Notes to the Consolidated Financial Statements
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17.9 Exchange differences on translating financial statements of foreign operations

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	23.07	21.77
Exchange differences arising on translation of foreign operations	(7.32)	1.30
Balance at end of year	**15.75**	**23.07**

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

17.10 Employee share based payment reserve

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	3.22	2.52
Increase/(decrease) during the year	8.41	10.93
Released on vesting of shares issued under employee share purchase scheme	-	(10.23)
Balance at end of year	**11.63**	**3.22**

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

17.11 Securities premium

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	509.56	736.25
Utilisation on issue of bonus equity shares	-	(236.98)
Recognised on vesting of shares issued under employee share purchase scheme	-	10.29
Balance at end of year	**509.56**	**509.56**

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 provisions of the Act.

Notes to the Consolidated Financial Statements
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18 BORROWINGS

	As at March 31, 2023	As at March 31, 2022
Non-current		
Secured		
Nil (Previous Year : 2,500 Nos.), 3 Months T-Bill + 188 bps, Listed, Secured, Redeemable, Non-Convertible Debentures of the face value of ₹10 lakhs each * (Refer note 18.1.1)	-	250.00
Term Loans from banks*^ (Refer note 18.1.2)	2,693.26	2,106.42
Term Loans from others*(Refer note 18.1.3)	109.52	141.07
Less: Current maturities of long term borrowings	(491.26)	(744.19)
	2,311.52	**1,753.30**
Current		
Secured		
Cash credits from banks (Refer note 18.1.4.(iv))	-	1.90
Term loan from Banks ^^ (Refer note 18.1.4.((ii))	210.00	-
Loans repayable on demand from banks (Refer note 18.1.4.((i) and (iii))	480.29	191.93
Current maturities of long term borrowings	491.26	744.19
	1,181.55	**938.02**
Unsecured		
Loans repayable on demand from banks	860.99	548.03
Commercial papers from banks and others #	-	300.00
	860.99	**848.03**
	2,042.54	**1,786.05**

* Above amount of borrowings are net of upfront fees paid ₹ 7.35 crores (Previous year : ₹ 3.80 crores)

^ Out of a term loan of ₹ 616.57 crores obtained towards the end of the current year, unutilised balance of ₹ 370 crores as on March 31, 2023 has been temporarily invested in fixed deposit with a bank. (Previous Year: Out of a term loan of ₹ 227.91 crores obtained towards the end of the year, unutilised balance of ₹ 200 crores as on March 31, 2022 was temporarily invested in fixed deposit with a bank.)

^^ Represents long term loan taken from a bank which is repayable in 18 quarterly instalments starting from June 2024. It has been classified as current due to certain terms/conditions specified in agreement with the bank allowing pre-closure of the loan at the option of the Company/bank.

The maximum amount due during the year was ₹ 500 crores (Previous year : ₹ 500 crores)

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

The quarterly returns or statements of current assets filed by the Company with the banks are in agreement with the books of account of the Company.

Notes to the Consolidated Financial Statements
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(All amounts in ₹ Crores, unless otherwise stated)

18.1 Details of security of the secured loans:

	Details of Loan	As at March 31, 2023#	As at March 31, 2022#	Security
1	Nil (Previous Year : 2,500), 3 Months T-Bill + 188 bps, Listed, Secured, Redeemable, Non-Convertible Debentures of the face value of ₹10 lakhs each * **Terms and conditions** a) Redeemable at face value in one single instalment at the end of 2nd year from the date of allotment. b) Coupon is payable on a quarterly basis every year.	-	250.00	Debentures 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). These debentures were repaid during the year and the charge was released.
2	(i) Term loan from Banks*	1,988.70	1,463.21	**Moveable property** (a)(i) Out of the loans as at 2(i), loans aggregating to ₹ 1,988.70 crores (Previous Year – ₹ 1,008.83 crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets). (a)(ii) Out of the loans as at 2(i), loans aggregating to Nil (Previous Year – ₹ 454.38 crores) are in the process of being secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai(other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets). **Immoveable property** (b)(i) Out of the loans as at 2(i) loans aggregating to ₹ 259.69 crores (Previous Year – ₹ 516.71 crores) are secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand.

Notes to the Consolidated Financial Statements
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(All amounts in ₹ Crores, unless otherwise stated)

Details of Loan	As at March 31, 2023#	As at March 31, 2022#	Security
			(b)(ii) Out of the loans as at 2(b)(i)) loans aggregating to ₹ 188.83 crores (Previous Year – ₹ 289.09 crores) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
(ii) Term loans from banks	402.25	412.98	Term loan is secured by pledge of 85% of the share capital of SRF Europe Kft held by SRF Global BV, mortgage of land and building of SRF Europe Kft and exclusive charge over the fixed assets of SRF Europe Kft.
(iii) Term loans from banks	309.51	233.70	Out of 2(iii), term loan of ₹ 84.13 crores (previous year ₹ 119.70 crores) is secured by mortgage of existing plant and machinery, land and building and/or any construction in future of Packaging film Factory (SRF Industries (Thailand) Ltd) and ₹ 225.38 crores (previous year ₹ 114.00 crores) is to be charged against certain specific Plant and machinery of Packaging film Factory (SRF Industries (Thailand) Ltd).
3 Term loans from others	109.67	141.40	Loan of ₹ 109.67 crores (Previous Year : ₹ 141.40 crores) is secured by the hypothecation and equitable mortgage of Company's moveable and immoveable properties at Dhar in the State of Madhya Pradesh.
4 (i) Loans repayable on demand from banks	381.97	158.30	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) Term loan from bank	210.00	-	Secured by a first pari passu charge over all the moveable fixed assets both present and future of SRF Altech Limited. Also refer footnote to note no.18
(iii) Loans repayable on demand from banks	98.32	33.63	Working capital facility is secured by pledge of 85% of the share capital of SRF Europe Kft held by SRF Global BV and pledge over receivables arising out of trade agreements
(iv) Cash credit from banks	-	1.90	Working capital facilities availed by SRF Flexipak (South Africa) (Pty) Ltd. are secured by cession of debtors and limited cession and pledge of credit balances

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

Gross of upfront fees paid ₹ 7.35 Crores (Previous year - ₹ 3.80 Crores)

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18.2 Terms of loans

As at March 31, 2023

NON CURRENT BORROWINGS

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2024	Up to March 31, 2025	Up to March 31, 2026	From 2027 to 2029
Term loans from banks	Half yearly instalment	Ranging from 1.23% to 3.25%	68.21	351.57	48.08	24.04
	Quarterly instalment	Ranging from 0.94% to 5.75%	381.77	422.42	497.71	660.03
	Bullet payments	Floating rate: 5.45% as at March 31, 2023	-	246.63	-	-
Term loans from Others	Half year payments	Floating rate: 5.84% as at March 31, 2023	43.83	43.83	22.01	-
			493.81	**1,064.45**	**567.80**	**684.07**

Amounts mentioned above are gross of upfront fees paid of ₹ 7.35 crores

CURRENT BORROWINGS

Short term borrowings are either payable in instalments within one year or repayable on demand. For short term borrowings, interest rates ranges from 0.26% to 10.78%. Also refer footnote to note no. 18

As at March 31, 2022

NON CURRENT BORROWINGS

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2023	Up to March 31, 2024	Up to March 31, 2025	From 2026 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value in one instalment at the end of second year	Floating rate at 5.63%	250.00	-	-	-
Term loans from banks	Half yearly instalment	Ranging from 1.23% to 2.35%	63.98	63.98	280.71	-
	Quarterly instalment	Ranging from 0.41% to 5.85%	383.11	348.96	287.38	439.57
	Bullet payments	Ranging from 1.18% to 6.65%	15.00	-	227.19	-
Term loans from Others	Half year payments	Floating rate at 1.46%	40.38	40.38	40.38	20.27
			752.47	**453.32**	**835.66**	**459.84**

Amounts mentioned above are gross of upfront fees paid of ₹ 3.80 crores

CURRENT BORROWINGS

Short term borrowings are either payable in instalments within one year or repayable on demand. For short term borrowings, interest rates ranges from 0.26% to 7.50%

Notes to the Consolidated Financial Statements

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Terms of repayment

1) Rupee term loans of ₹ 140.63 crores are repayable in 9 quarterly instalments from April 2023 (Previous year: ₹ 203.13 crores repayable in 13 quarterly instalments from April 2022)
2) Foreign currency term loan of ₹ 188.83 crores are repayable in 8 quarterly instalments from May 2023 (Previous year: ₹ 265.87 crores are repayable in 12 quarterly instalments from May 2022).
3) Foreign currency term loan of ₹ 44.04 crores are repayable in 3 quarterly instalments from April 2023 (Previous year: ₹ 94.66 crores are repayable in 7 quarterly instalments from April 2022).
4) Foreign currency term loan of ₹ 109.67 crores are repayable in 5 half yearly instalments from April 2023 (Previous year: ₹ 141.40 crores are repayable in 7 half yearly instalments from April 2022).
5) Foreign currency term loan of ₹ 26.82 crores are repayable in 1 quarterly instalments in April 2023 (Previous year: ₹ 109.29 crores are repayable in 5 quarterly instalments from April 2022)
6) Foreign currency term loan of ₹ 287.57 crores are repayable in 2 half yearly instalments from September 2023 and then 12 monthly instalments from April 2024 onwards. (Previous year: ₹ 288.99 crores is repayable in 4 half yearly instalments from September 2022 and then 12 monthly instalments from April 2024 onwards.)
7) Foreign currency term loan of ₹ 246.63 crores are repayable in in one bullet instalment in March 2025 (Previous year: ₹ 227.19 crores are repayable in in one bullet instalment in March 2025)
8) Foreign currency term loan of ₹ 232.12 crores are repayable in 16 quarterly instalments from June 2023 (Previous year: ₹ 227.19 crores are repayable in 17 quarterly instalments from March 2023)
9) Foreign currency term loan of ₹ 205.52 crores are repayable in 16 quarterly instalments from February 2024 (Previous year: Nil)
10) Foreign currency term loan of ₹ 616.54 crores are repayable in 9 quarterly instalments from February 2025 (Previous year: Nil)
11) Foreign currency term loan of ₹ 402.27 crores are repayable in 14 quarterly instalments from June 2023 (Previous year : ₹ 412.98 crores are repayable in 18 quarterly instalments from June 2022).
12) Foreign currency term loan of ₹ 120.20 crores are repayable in 5 half yearly instalments from June 2024 (Previous year: Nil)
13) Foreign currency term loan of ₹ 84.14 crores are repayable in 4 half yearly instalments from September 2023 (Previous year : ₹ 119.70 crores are repayable in 6 half yearly instalments from September 2022).
14) Foreign currency term loan of ₹ 105.15 crores are repayable in 14 quarterly instalments from April 2023 (Previous year: ₹ 114.00 crores are repayable in 16 quarterly instalments from October 2022)
15) Rupee term loans from banks of ₹ 8.22 crores was repaid in the current year (Previous year: ₹ 8.22 crores repayable in 2 quarterly instalments from June 2022)
16) Redeemable non convertible debenture of ₹ 250 crores was repaid in the current year (Previous year: ₹ 250 crores repayable in one bullet instalment in September 2022)
17) Foreign currency term loan from banks of ₹ 23.67 crores was repaid in the current year (Previous year: ₹ 23.67 crores is repayable in 1 quarterly instalment in June 2022).
18) Foreign currency term loan from banks of ₹ 15.00 crores was repaid in the current year (Previous year: ₹ 15.00 crores is repayable in one bullet instalment in June 2022)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

19 PROVISIONS

	As at March 31, 2023	As at March 31, 2022
Non-Current		
Provision for employee benefits		
Provision for compensated absence (Refer note 36.3)	53.49	46.08
Provision for retention pay	0.17	0.17
Other employee benefits	7.14	5.33
	60.80	**51.58**
Current		
Provision for employee benefits		
Provision for compensated absence (Refer note 36.3)	7.91	7.38
	7.91	**7.38**

20 TRADE PAYABLES

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises#		
- Acceptances*	5.33	3.61
- Other than acceptances	62.46	52.37
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances*	654.84	410.27
- Other than acceptances	1508.64	1,630.10
	2,231.27	**2,096.35**

Refer note 20.1

*The Group participates in a supply chain financing arrangement (SCF) which is disclosed under trade payables / other financial liabilities enabling suppliers to take early payment by selling their receivables from the group. The Group has not derecognised the original liabilities to which the arrangement applies because neither a legal release was obtained nor the original liability and the payment terms are modified on entering into the arrangement. The Group therefore discloses such amounts within trade payables / other financial liabilities because the nature and function of the financial liability remains same.

Ageing of Trade payables :

Outstanding for following periods from due date of payment	As at March 31, 2023				
	Dues of micro enterprises and small enterprises	Dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises	Total
Not due	67.79	1,540.50	-	-	1,608.29
Less than one year	-	199.21	-	-	199.21
1-2 Years	-	0.40	-	-	0.40
2-3 Years	-	0.21	-	-	0.21
More than 3 years	-	1.31	-	-	1.31
Unbilled dues	-	421.85	-	-	421.85
	67.79	**2,163.48**	**-**	**-**	**2,231.27**

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Outstanding for following periods from due date of payment	As at March 31, 2022				
	Dues of micro enterprises and small enterprises	Dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises	Total
Not due	55.98	1,743.01	-	-	1,798.99
Less than one year	-	97.11	-	-	97.11
1-2 Years	-	3.13	-	-	3.13
2-3 Years	-	-	-	-	-
More than 3 years	-	0.13	-	-	0.13
Unbilled dues	-	196.99	-	-	196.99
	55.98	**2,040.37**	**-**	**-**	**2,096.35**

20.1 Total outstanding dues of micro enterprises and small enterprises

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

	As at March 31, 2023	As at March 31, 2022
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount **	128.33	108.82
- Interest due thereon	0.01	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED /settled	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	0.01	-
- Interest remaining unpaid as at the end of the year	0.01	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues are actually paid, for the purpose of disallowance of a deductible expenditure	0.01	-

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

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(All amounts in ₹ Crores, unless otherwise stated)

21 OTHER FINANCIAL LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Non Current		
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	26.24	0.33
Payables to capital creditors		
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances*	133.23	153.53
	159.47	**153.86**
Current		
Interest accrued but not due on borrowings	14.80	4.47
Unpaid dividends^	6.83	6.72
Security deposits received	7.64	8.15
Payables to capital creditors		
- Total outstanding dues of micro enterprises and small enterprises#		
Acceptances*	0.67	10.56
Other than acceptances	59.88	42.28
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances*	118.46	-
Other than acceptances	126.00	276.66
Derivatives carried at fair value through profit and loss		
- Forward exchange contracts used for hedging	7.09	-
Derivatives carried at fair value through other comprehensive income		
- Forward exchange contracts used for hedging	35.05	5.03
Payable to banks towards early receipts from receivables sold	105.72	15.47
Others	3.42	2.36
	485.56	**371.70**

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

Refer note 20.1

* Refer footnote to note no. 20

Notes to the Consolidated Financial Statements
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22 TAX ASSETS AND LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Non Current tax assets		
Advance tax (net of provisions for tax)	**91.26**	**21.31**
Current tax liabilities		
Provisions for tax (net of advance tax)	**14.63**	**14.20**

23 OTHER LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Non-current		
Deferred government grants * ^	72.29	39.56
	72.29	**39.56**
Current		
Contract liability (Refer note 41)	45.90	28.32
Statutory liabilities	34.44	60.95
Payable to gratuity trust (Refer note 36.2)	8.39	11.57
Deferred government grants*	1.74	1.77
Other payables	18.32	41.36
	108.79	**143.97**

* The group had received financial assistance in earlier years from:

- The Industrial Development Corporation of South Africa towards setting up of property, plant and equipment under a government program; and

- Ministry of Foreign Affair and Trade, Hungary under the governments' "Scheme for Investment Promotion" to promote investment and job creation.

The above grants had been recognised as deferred income and are amortised over the useful life of the property, plant and equipment in proportion in which the related depreciation expense is recognised.

The unamortised grant amount as on March 31, 2023 is ₹ 39.37 crores (Previous year : ₹ 41.33 crores).

^ Includes ₹ 34.66 crores (previous year: Nil) of grants related to duty saved on import of capital goods under the Exports Promotion Capital Goods (EPCG) scheme. This is being amortised in consolidated profit and loss as and when the criteria of meeting export obligation as mentioned in EPCG license is fulfilled. Under such scheme, the group is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time.

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24 REVENUE FROM OPERATIONS

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products		
Manufactured goods	14,210.14	12,138.37
Traded goods	381.68	174.38
	14,591.82	**12,312.75**
Other operating revenues		
Claims	4.41	0.01
Export and other incentives	89.65	49.47
Scrap sales	58.39	48.11
Provision / liabilities no longer required written back	27.44	-
Material handling income	97.67	18.77
Other operating income	0.87	4.55
	278.43	**120.91**
	14,870.25	**12,433.66**

Reconciliation of revenue from sale of products with the contracted price

	Year ended March 31, 2023	Year ended March 31, 2022
Contracted price	14,794.13	12,421.10
Less: Discounts, allowances and claims	(202.31)	(108.35)
Sale of products	**14,591.82**	**12,312.75**

25 OTHER INCOME

	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income		
- from customers	0.04	0.01
- on loans, deposits and investments	22.48	20.51
- on others *	22.18	3.47
Net gain on sale/discarding of property, plant and equipment	6.00	2.90
Net gain on financial assets measured at fair value through profit and loss	9.10	7.06
Net foreign currency exchange fluctuation gains	-	72.71
Other non-operating income	15.13	8.84
	74.93	**115.51**

* Refer note 31 (iii)

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26.1 COST OF MATERIALS CONSUMED

	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock of raw materials	1,058.18	683.36
Add: Purchases of raw materials	7,169.62	6,545.92
	8,227.80	**7,229.28**
Less: Closing stock of raw materials	1,102.59	1,058.18
Cost of materials consumed *	**7,125.21**	**6,171.10**

* Including packing material

26.2 PURCHASES OF STOCK IN TRADE

	Year ended March 31, 2023	Year ended March 31, 2022
Purchase of stock in trade ^	277.22	175.59
	277.22	**175.59**

^Previous year figure includes ₹15.71 crores acquired through Business Combination (Refer note 46 below)

26.3 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the end of the year:		
Stock-in-Process	239.56	237.41
Finished goods	476.19	535.44
Traded goods	95.71	27.39
	811.46	**800.24**
Effect of changes in exchange currency rates		
Stock-in-Process	1.71	(0.46)
Finished goods	2.70	0.82
Traded goods	(2.11)	0.75
	2.30	**1.11**
Inventories at the beginning of the year:		
Stock-in-Process	237.41	176.47
Finished goods	535.44	338.59
Traded goods	27.39	4.32
	800.24	**519.38**
Net (increase) / decrease	**(8.92)**	**(279.75)**

27 EMPLOYEE BENEFITS EXPENSES

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages, including bonus	671.16	618.82
Contribution to provident and other funds	48.87	45.46
Workmen and staff welfare expenses	85.01	87.11
Share based payment expense (Refer note 37)	8.76	28.61
	813.80	**780.00**

Notes to the Consolidated Financial Statements
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28 FINANCE COST

	Year ended March 31, 2023	Year ended March 31, 2022
Interest cost^		
- Non convertible debentures	7.33	13.23
- Term loans and others	142.65	61.74
- Lease liabilities	8.99	8.69
Other borrowing costs	21.00	17.86
Exchange differences regarded as an adjustment to borrowing cost	24.85	14.41
	204.82	**115.93**

^ pertains to liabilities measured at amortised cost. The amount disclosed is net of interest capitalised during the year. Also, refer note no. 4 (i)

29 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment	538.72	484.64
Amortisation of intangible assets	9.04	8.16
Depreciation of Right of use assets	27.56	24.43
	575.32	**517.23**

30 OTHER EXPENSES

	Year ended March 31, 2023	Year ended March 31, 2022
Credit impaired assets provided / written off ^^	2.56	0.95
Labour production	71.75	70.63
Directors' sitting fees	0.41	0.66
Expenditure on corporate social responsibility**	28.63	19.06
Property, plant and equipment provided/ written off ^	3.87	11.48
Freight charges	610.24	547.78
Insurance	63.83	47.66
Power and fuel	1,472.25	1,135.56
Legal and professional charges	46.14	40.98
Rates and taxes	10.01	19.76
Rent***	39.66	30.36
Repairs and maintenance		
- Buildings	9.00	9.11
- Plant and machinery	221.59	201.53
- Other maintenance	53.04	43.23
Selling commission	41.28	35.73
Stores and spares consumed	85.04	81.80
Travelling and conveyance	21.12	12.48

Notes to the Consolidated Financial Statements
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(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Auditor remuneration#		
- Audit Fees	2.07	1.52
- For limited review of unaudited financial results	0.97	0.97
- For Corporate governance and other certificates	0.10	0.10
- For tax audit	0.10	0.08
- Reimbursement of out of pocket expenses	0.17	0.15
Exchange currency fluctuation (net)	104.00	-
Effluent disposal expenses	181.84	121.99
Miscellaneous expenses	64.07	49.95
	3,133.74	**2,483.52**

** Refer to note- 47(d)

*** Refer to note- 43

including fees paid to auditors of subsidiary companies

^ including amount of ₹ Nil (previous year: ₹ 5.75 crores) recognised on fair valuation of assets classified as held for sale. Also Refer note 42.

^^ including amount of ₹0.67 crore written off during the year (previous year: ₹ 2.43 crores utilised against provision).

31 INCOME TAX RECOGNISED IN PROFIT AND LOSS

	Year ended March 31, 2023	Year ended March 31, 2022
Tax expense	661.65	696.63
	661.65	**696.63**
Current tax		
In relation to current year	650.43	657.53
Adjustment in relation to earlier years	(35.55)	-
	614.88	**657.53**
Deferred tax		
- MAT credit entitlement (Refer notes ((ii) and (iv) below)		
In relation to current year	(74.02)	-
Adjustment in relation to earlier years	(20.11)	(25.27)
	(94.13)	**(25.27)**
- Others		
In relation to current year	134.76	56.41
Adjustment in relation to earlier years	6.14	7.96
	140.90	**64.37**

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

	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	2,823.99	2,585.55
Income Tax Expenses @ 34.944% (Previous year @ 34.944%)	986.82	903.50
Effect of deductions (research and development, share issue expenses and deductions under Chapter - VIA of Income Tax Act)	(126.53)	(79.28)
Effect of expenses that are not deductible in determining taxable profits	10.97	13.28
Effect of lower tax rate on certain temporary differences pursuant to Section 115BAA of Income tax act.	(55.83)	(21.59)
Recognition of MAT credit previously written off (refer note (iv) below)	(74.02)	-
Effect of Nil tax/exemption of overseas subsidiaries	(10.06)	(34.13)
Effect of additional expenses deductible in subsidiaries	-	(6.89)
Effect of lower tax rates in overseas subsidiaries	(17.74)	(61.82)
Others	(2.44)	0.88
Income tax expenses recognised in profit and loss in relation to current year	**711.17**	**713.94**
Income tax expenses recognised in profit and loss in relation to earlier years (Refer notes below)	(49.52)	(17.31)
Total Income tax expenses recognised in profit and loss	**661.65**	**696.63**

Notes:

(i) The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (2022: 34.944%) payable by corporate entities in India on taxable profits under the Indian tax law.

(ii) Previous year figures of Income tax in relation to earlier years includes tax credit of ₹ 15.42 crores which is related to finalization and determination of deduction/allowance claimed for earlier years under Chapter-VIA of the Income-tax Act, 1961, for generation of power from captive power plants which is based on finalization of transfer pricing study /tax audit reports of the previous years.

(iii) During the year, the Company has received a favourable income tax assessment order pertaining to a prior year. Based on the order, the Company has recognised interest income of ₹ 20.15 crores as other income and has written back ₹ 32.17 crores as 'Adjustment in relation to earlier years' in the consolidated statement of profit and loss. Tax adjustments, if any, in relation to the pending assessments for certain other years, and involving a similar matter, will be considered in the periods in which a requisite level of certainty is achieved.

(iv) As per the relevant accounting standards, the Company continues to reassess its MAT utilization and its recognition. Basis current profitability and reassessment of certain tax positions, the Company has recognized an additional MAT credit of ₹ 94.13 crores (including ₹ 74.02 crores which was previously written off during the year 2020-21), and the same has also been utilised in current financial year.

Notes to the Consolidated Financial Statements
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(All amounts in ₹ Crores, unless otherwise stated)

32 INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Year ended March 31, 2023	Year ended March 31, 2022
Arising on income and expense recognised in other comprehensive income		
Net (gain)/ loss on designated portion of hedging instruments in cash flow hedges	67.58	(13.03)
Cost of hedging reserve	(0.79)	(0.45)
Remeasurement of defined benefit obligation	4.24	2.55
	71.03	**(10.93)**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	66.79	(13.48)
Items that will not be reclassified to profit or loss	4.24	2.55
	71.03	**(10.93)**

33 CONTINGENT LIABILITIES

		As at March 31, 2023	As at March 31, 2022
a	**Claims against the group not acknowledged as debts:**		
	Goods and Services tax, excise duty, custom duty and service tax *	7.38	8.39
	Sales tax and entry tax **	15.60	19.17
	Income Tax ***	304.78	22.26
	Others****	11.01	11.27

* Amount deposited against contingent liability ₹ 1.20 crores (Previous year: ₹ 1.23 crores)

** Amount deposited against contingent liability ₹ 6.74 crores (Previous year: ₹ 6.74 crores)

*** Amount deposited against contingent liability ₹ 59.68 crores (Previous year: ₹ 2.98 crores). Contingent liability for the current year includes:

(i) Assessment / rectification orders received for assessment years 2017-18 and 2018-19 in which adjustments amounting to ₹ 277.31 crores and ₹ 167.43 crores respectively were made on account of transfer pricing adjustments, research and development expenditure and others etc. (in line with earlier years) and a demand of ₹ 1.20 crores and ₹ 11.03 crores was raised. These orders have a tax implication of ₹ 95.97 crores and ₹ 57.94 crores respectively (primarily due to reduction in MAT credit entitlement eligible for accumulation / subsequent utilization). The Company has filed appeal before Income Tax Appellate Tribunal against the said orders. Pursuant to a direction of the Hon'ble Delhi High Court, the Department of Scientific and Industries Research (DSIR) has approved the said R&D expenditure for which rectification is pending before Assessing Officer. Based on the facts of the case and the management's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

(ii) Intimation order u/s 143(1) received for assessment year 2021-22 in which adjustments of ₹ 307.03 crores have been made with a corresponding demand of ₹ 130.74 crores. Also a refund of ₹ 56.91 crores for different assessment years has been adjusted against the said demand. In view of the Company, these adjustments are technical errors for which the Company has filed rectification application before Assessing Officer and an appeal before CIT(Appeals). Based on the facts of the case and the management's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

**** Amount deposited against contingent liability ₹ 9.05 crore (Previous year: ₹ 0.42 crore). Contingent liability includes demand by Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. (MPPKVV Ltd) of ₹ 8.73 crores (Previous year: ₹ 8.12 crores).

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

b (i) The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax / goods and service tax amounting to ₹ 18.59 crores (Previous year: ₹ 18.86 crores) should not be levied. The Company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.

(ii) The Company has received a notice for assessment year 2018-19 on April 13, 2022 on account of non deduction of TDS on foreign payments involving an amount of ₹ 14.34 crores. Based on the facts of the case and the Company's assessment, the Company is of the view that the proposed adjustments are not likely to sustain.

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

34 CAPITAL AND OTHER COMMITMENTS

		As at March 31, 2023	As at March 31, 2022
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	762.77	960.57
(ii)	The group has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The group does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses which have not been provided for.		
(iii)	Export obligation under advance license scheme on duty free import of specific raw materials, and EPCG scheme on import of capital items remaining outstanding is ₹ 1,397.68 crores (Previous year: ₹ 721.78 crores).		

35 RELATED PARTY TRANSACTIONS

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

Ultimate holding entity
ABR Family Trust

Holding Company
KAMA Holdings Limited

Fellow subsidiaries#
KAMA Realty (Delhi) Limited
Shri Educare Limited
SRF Transnational Holding Limited

Key management personnel (KMP)#
Arun Bharat Ram**
Ashish Bharat Ram
Kartik Bharat Ram
Tejpreet S Chopra
Lakshman Lakshminarayan
Vellayan Subbiah
Meenakshi Gopinath*
Pramod Gopaldas Gujarathi
Bharti Gupta Ramola
Yash Gupta
Puneet Yadu Dalmia
Raj Kumar Jain ****

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Post employment benefit plans trust#
SRF Limited Officers Provident Fund Trust
SRF Employees Gratuity Trust
SRF Officers Gratuity Trust

Enterprises over which KMP have significant influence#
Havells India Limited ******

Relatives of KMP#
Sushil Ramola
Murugappan Vellayan Subbiah
Deeksha Amit Kalyani ^^
Salil Gupta ^^
Arun Bharat Ram^

KMP of Holding Company#
Ekta Maheshwari
Jagdeep Singh Rikhy ***
Amitav Virmani ^^

Enterprises over which KMP have control or joint control#
BLP Industry AI Private Limited Parry Enterprises India Limited *****
SRF Foundation
SRF Welfare Trust

Relatives of KMP of Holding Company#
Nirmala Kothari
Meher Kaur Rikhy ^^
Palak Maheshwari ^^

Enterprises over which relative of KMP has control or joint control#
Murugappa & Sons

Only with whom the Company had transactions during the year
* Upto August 31, 2021
** Upto March 31, 2022
*** From December 03, 2021
^^ From August 18, 2022
^ From April 01, 2022
**** From May 09, 2022
***** From June 15, 2022
****** From April 06, 2022

35.2 Transactions with related parties

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of property, plant & equipment and intangible assets to		
Fellow Subsidiaries	-	0.19
	-	**0.19**
Sale of goods to		
Enterprises over which KMP have significant influence	15.26	-
Enterprises over which KMP have control or joint control	-	0.04
	15.26	**0.04**
Purchase of goods from		
Enterprises over which KMP have significant influence	6.00	-
	6.00	**-**

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	Year ended March 31, 2023	Year ended March 31, 2022
Advance Given to		
Enterprises over which KMP have control or joint control	0.24	-
	0.24	**-**
Rent paid		
Fellow Subsidiaries	6.56	6.60
Key management personnel	0.05	0.26
Relative of KMP	0.21	-
Enterprises over which KMP have control or joint control	0.27	0.27
	7.09	**7.13**
Reimbursement of expenses from		
Holding Company	0.02	0.01
Fellow Subsidiaries	0.05	0.04
Enterprises over which KMP have control or joint control	0.01	-
	0.08	**0.05**
Receiving of Services from :		
Relative of KMP	0.60	-
Enterprises over which KMP have control or joint control	0.64	0.19
	1.24	**0.19**
Deposits received back from		
Key management personnel	-	0.01
Fellow Subsidiaries	0.03	-
	0.03	**0.01**
Contribution for expenditure on corporate social responsibility		
Enterprises over which KMP have control or joint control	28.23	21.38
	28.23	**21.38**
Contribution to post employment benefit plans		
Post employment benefit plans trust	43.69	30.20
	43.69	**30.20**
Employee benefit obligations transferred to		
Fellow Subsidiaries	-	0.20
	-	**0.20**
Equity dividend paid		
Holding Company	107.96	107.43
Key management personnel	0.05	0.15
Relatives of KMP	0.24	0.11
KMP of Holding Company	^^	^^
Relatives of KMP of Holding Company	^	^
Enterprises over which relative of KMP has control or joint control	^^^	^^^
	108.25	**107.69**

Notes to the Consolidated Financial Statements

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	Year ended March 31, 2023	Year ended March 31, 2022
^ Amount in absolute ₹ 814 (Previous year : ₹ 358)		
^^ Amount in absolute ₹ 9,882 (Previous year : ₹ 1,095)		
^^^ Amount in absolute ₹ 37,224 (Previous year : ₹ 36,966)		
Bonus shares issued		
Holding Company (No. of shares : Nil ; previous year : 12,01,96,000)	-	-
Key management personnel (No. of shares : Nil ; previous year : 1,78,968)	-	-
Relatives of KMP (No. of shares : Nil ; previous year : 1,10,388)	-	-
KMP of Holding Company (No. of shares : Nil ; previous year : 76)	-	-
Relatives of KMP of Holding Company (No. of shares : Nil ; previous year : 40)	-	-
Enterprises over which relative of KMP has control or joint control (No. of shares : Nil ; previous year : 4,136)	-	-
	-	-

35.3 Outstanding Balances:

	As at March 31, 2023	As at March 31, 2022
Commission payable		
Key management personnel	17.16	18.90
	17.16	**18.90**
Receivable		
Enterprises over which KMP have significant influence	2.22	-
Post employment benefit plans trust	1.31	11.48
	3.53	**11.48**
Payable		
Enterprises over which KMP have significant influence	0.44	-
Post employment benefit plans trust	9.86	13.30
	10.30	**13.30**
Security deposits outstanding		
Fellow Subsidiaries	3.24	3.27
Key management personnel	0.01	0.12
Relatives of KMP	0.11	-
Enterprises over which KMP have control or joint control	0.14	0.14
	3.50	**3.53**

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35.4 Key management personnel compensation

	Year ended March 31, 2023	Year ended March 31, 2022
Short-term benefits *	36.03	34.88
Post-employment benefits	8.60	2.15
Other long-term benefits	3.40	1.19
	48.03	**38.22**

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

The above transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

36 EMPLOYEE BENEFITS

36.1 Defined contribution plans:

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

Indian entities	Year ended March 31, 2023	Year ended March 31, 2022
Superannuation fund (Refer to note (i) below)	0.45	0.59
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	16.73	15.11
Employees' State Insurance Corporation	0.30	0.40
National Pension Scheme	2.36	1.71
	19.84	**17.81**

Foreign subsidiaries	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to provident fund	1.70	1.47
Skill, development and Social Security Fund	4.17	4.87
Pension fund	1.54	1.63
	7.41	**7.97**

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

(i) Superannuation fund

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

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(ii) Provident fund administered through Regional Provident Fund Commissioner

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

36.2 Defined benefit plans

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

(a) Gratuity

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

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

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

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

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

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

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

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

Indian entities	As at March 31, 2023		As at March 31, 2022	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	7.35%	7.35%	7.16%	7.16%
Expected statutory interest rate	-	8.15%	-	8.10%
Salary increase	8.00%	-	8.00%	-
Retirement Age (years)	58.00	58.00	58.00	58.00
Mortality Rates	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Withdrawal Rate				
Upto 30 years	20.00%	20.00%	20.00%	20.00%
31 to 44 years	7.00%	7.00%	7.00%	7.00%
Above 44 years	8.00%	8.00%	8.00%	8.00%

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2023	As at March 31, 2022
Discount Rate	2.92%	3.18%
Salary increase	7.00%	6.35%
In service mortality	TMO	TMO
	2017	2017
Retirement Age	55	55
Withdrawal Rate		
- up to 20 years	17%	16%
- 21-30	17%	16%
- 31-40	7%	7%
- 41-50	4%	3%
- 51 onwards	2%	2%

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

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

Indian entities	Year ended March 31, 2023		Year ended March 31, 2022	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	10.17	7.91	9.09	7.73
Interest expenses (net of expected return on plan assets)	0.84	-	0.30	-
	11.01	**7.91**	**9.39**	**7.73**

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	Year ended March 31, 2023	Year ended March 31, 2022
Current/past Service cost	1.42	1.10
Net interest expenses	0.18	0.12
	1.60	**1.22**

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

(iv) Amount recognized in other comprehensive income:

Indian entities	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
Actuarial (gain)/losses on plan assets	2.33	(0.31)
Actuarial (gain)/losses arising from changes in financial assumptions	(1.58)	3.71
Actuarial (gain)/losses arising from changes in experience adjustments	11.40	3.90
	12.15	**7.30**

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	Year ended March 31, 2023	Year ended March 31, 2022
Actuarial (gain)/losses arising from changes in financial assumptions	0.59	(0.23)
Actuarial (gain)/losses arising from changes in experience adjustments and demographic assumption	(0.79)	0.40
	(0.20)	**0.17**

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

Indian entities	As at March 31, 2023		As at March 31, 2022	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	127.85	178.30	107.45	155.50
Fair value of plan assets	119.30	180.00	95.88	157.64
Surplus / (deficit)	**(8.55)**	**1.70**	**(11.57)**	**2.14**
Effect of asset ceiling, if any	-	(1.70)	-	(2.14)
Net assets / (liability)	**(8.55)**	**-**	**(11.57)**	**-**

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	6.97	5.33
Fair value of plan assets	-	-
Net asset / (liability)	**(6.97)**	**(5.33)**

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

Indian entities	As at March 31, 2023		As at March 31, 2022	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	107.45	155.50	98.72	158.91
Current Service Cost	10.17	7.91	9.09	7.73
Interest Cost	7.70	12.99	6.60	12.42
Actuarial (gain)/losses arising from changes in financial assumptions	(1.58)	-	3.71	-
Actuarial (gain)/losses arising from changes in experience adjustments	11.40	-	3.90	-
Benefits paid	(7.29)	(15.42)	(14.57)	(39.82)
Contribution by plan participants / employees	-	10.21	-	12.72
Settlement / transfer in /out	-	7.11	-	3.54
Closing defined benefit obligation	**127.85**	**178.30**	**107.45**	**155.50**

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Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	5.33	4.14
Current Service Cost	1.42	1.10
Interest Cost	0.18	0.12
Actuarial (gain)/losses arising from changes in financial assumptions	0.59	(0.23)
Actuarial (gain)/losses arising from changes in experience adjustments and demographic assumption	(0.79)	0.40
Exchange difference on foreign plans	0.36	(0.10)
Benefits paid/Settled	(0.12)	(0.10)
Closing defined benefit obligation	**6.97**	**5.33**

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

Indian entities	As at March 31, 2023		As at March 31, 2022	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	95.88	157.64	94.20	157.71
Return on plan assets (excluding amounts included in net interest expenses)	4.53	12.55	6.62	15.76
Contributions from employer	26.18	7.91	9.63	7.73
Contributions from plan participants	-	10.21	-	12.72
Benefits paid	(7.29)	(15.42)	(14.57)	(39.82)
Settlement / Transfer in	-	7.11	-	3.54
Closing fair value of plan assets	**119.30**	**180.00**	**95.88**	**157.64**

Gratuity:

Plan assets comprises primarily of investment in HDFC Group Unit Linked Plan fund. The average duration of the defined benefit obligation is 9.07 years (Previous year: 9.12 years). The Company expects to make a contribution of ₹ 11.64 Crores (Previous year: ₹ 10.58 Crores) to the defined benefit plans during the next financial year.

Provident fund:

The plan assets comprises the following securities :

	As at March 31, 2023	As at March 31, 2022
Government bonds	56.15%	55.33%
Public sector bonds	35.19%	35.09%
Other equity and mutual funds	8.66%	9.58%

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(viii) Sensitivity Analysis

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

Indian entities	Year ended March 31, 2023		Year ended March 31, 2022	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Sensitivity analysis of gratuity				
Discount rate	(4.01)	4.26	(3.54)	3.77
Expected salary growth	4.21	(4.01)	3.72	(3.53)
Sensitivity analysis of Provident Fund	(0.01)	0.01	(0.01)	0.01

Foreign subsidiaries	Year ended March 31, 2023		Year ended March 31, 2022	
	1% increase	1% decrease	1% increase	1% decrease
Sensitivity analysis of Legal Severance Pay				
Discount rate	(0.67)	0.78	(0.54)	0.63
Expected salary growth	0.72	(0.63)	0.59	(0.51)

Sensitivity due to mortality and withdrawals are insignificant and hence ignored

36.3 Other long-term employee benefit

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

	Year ended March 31, 2023	Year ended March 31, 2022
Compensated absences	13.66	12.26
	13.66	**12.26**

(i) Long Term Retention Pay

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

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37 EMPLOYEE SHARE BASED PAYMENTS

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

The movement of number of equity shares granted, their fair value and the share based payment expense recognised during the year are as under:

	Year ended March 31, 2023	Year ended March 31, 2022
Number of equity shares:		
(i) At the beginning of the year	1,95,000	60,000
(ii) Impact of bonus issue of shares (Refer to note 16.1)	-	2,40,000
(iii) Granted during the year *	3,800	1,95,000
(iv) Released during the year ^	-	(3,00,000)
(v) At the end of the year	1,98,800	1,95,000
Market price on the grant date (₹ per equity share)	2,320.95	2,126.05
Exercise price (₹ per equity share)	10.00	10.00
Fair value of share based payment (₹ per equity share)	2,310.95	2,116.05
Share based payment expense recognised during the year ^ **	8.76	28.61

* Shares granted during the current year have a lock in period upto August 21, 2023 and those granted during the previous year had lock in period upto November 30, 2022. These shares are pledged for a period upto October 31, 2026.

^ During the previous year, the Nomination and Remuneration Committee based upon the recommendations of the management, released 3,00,000 equity shares from pledge, resulting into immediate vesting of these shares. As a result, an additional amount of ₹ 6.72 crores had been recognised in consolidated statement of profit and loss in previous year.

**Includes amount of ₹ 0.35 crore (previous year -17.50 crores) towards withholding tax on equity shares granted under the above scheme.

38 SEGMENT REPORTING

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

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

Notes to the Consolidated Financial Statements

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

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

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments. These amounts relate to continuing operations, unless otherwise stated.

b) Segment assets and liabilities

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

A. Information about operating business segments

	Year ended March 31, 2023	Year ended March 31, 2022
Segment revenue		
a) Technical textiles business (TTB)		
- External sales	1,891.25	2,073.33
- Inter-segment sales	2.63	11.91
Total	**1,893.88**	**2,085.24**
b) Chemicals business (CB)		
- External sales	7,410.88	5,240.78
- Inter-segment sales	-	-
Total	**7,410.88**	**5,240.78**
c) Packaging films business (PFB)		
- External sales	5,175.51	4,779.21
- Inter-segment sales	7.24	-
Total	**5,182.75**	**4,779.21**
d) Others		
- External sales	392.61	340.34
- Inter-segment sales	-	-
Total	**392.61**	**340.34**
Total segment revenue	**14,880.12**	**12,445.57**
Less: Inter Segment revenue	9.87	11.91
Revenue from operations	**14,870.25**	**12,433.66**
Add: unallocable income	74.93	115.51
Total revenue	**14,945.18**	**12,549.17**

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	Year ended March 31, 2023	Year ended March 31, 2022
Segment Profits		
Profit before interest and tax from each segment		
a) Technical textiles business (TTB)	261.74	471.43
b) Chemicals business (CB)	2,340.67	1,396.91
c) Packaging films business (PFB)	556.19	946.33
d) Others	34.82	20.35
Total segment results	**3,193.42**	**2,835.02**
Less: i) Interest and finance Charges	204.82	115.93
Less: ii) Other unallocable expenses net of income	164.61	133.54
Profit before tax	**2,823.99**	**2,585.55**
Capital Expenditure		
a) Technical textiles business (TTB)	134.03	63.43
b) Chemicals business (CB)	2,146.11	1,296.56
c) Packaging films business (PFB)	513.00	637.06
d) Others	2.46	1.66
e) Unallocated	20.18	8.38
Total	**2,815.78**	**2,007.09**
Depreciation and amortisation		
a) Technical textiles business (TTB)	41.07	39.97
b) Chemicals business (CB)	334.80	303.59
c) Packaging films business (PFB)	177.79	153.31
d) Others	6.96	7.53
e) Unallocated	14.70	12.83
Total	**575.32**	**517.23**

Segment assets and liabilities

	As at March 31, 2023	As at March 31, 2022
Segment Assets		
a) Technical textiles business (TTB)	1,754.44	1,818.01
b) Chemicals business (CB)	9,734.26	7,193.65
c) Packaging films business (PFB)	5,800.54	5,633.10
d) Others	164.98	174.94
Total	**17,454.22**	**14,819.70**
Unallocable assets	1,300.30	953.91
Assets classified as held for sale	-	3.00
Total Assets	**18,754.52**	**15,776.61**
Segment Liabilities		
a) Technical textiles business (TTB)	391.76	416.95
b) Chemicals business (CB)	1,352.16	950.33
c) Packaging films business (PFB)	1,284.12	1,449.62
d) Others	52.53	37.02
Total	**3,080.57**	**2,853.92**
Unallocable Liabilities	5,346.90	4,357.33
Total Liabilities	**8,427.47**	**7,211.25**

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B. Information about geographical business segments

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations		
- India	5,996.99	5,259.57
- USA	2,170.63	1,440.87
- South Africa	656.91	603.51
- United Kingdom	448.15	357.61
- Italy	212.84	229.50
- Indonesia	189.42	217.15
- UAE	170.84	124.48
- South Korea	161.25	147.21
- Germany	491.99	462.74
- Thailand	535.03	353.74
- Hungary	29.69	27.66
- Switzerland	877.46	827.37
- Belgium	871.88	528.32
- Others	2,057.17	1,853.93
	14,870.25	**12,433.66**

	Year ended March 31, 2023	Year ended March 31, 2022
Non current segment assets		
Within India	10,012.87	7,938.51
Outside India	2,739.60	2,391.47
	12,752.47	**10,329.98**

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

No single customer contributed 10% or more to the Group's revenue for both financial years 2022-23 and 2021-22

Revenue from major products	Year ended March 31, 2023	Year ended March 31, 2022
a) Technical Textiles Business (TTB)		
Nylon tyre cord fabric/ Polyester tyre cord fabric / Belting fabric	1,630.11	1,880.90
Synthetic filament yarn including Industrial yarn /Twine	233.33	165.78
Waste/others	0.84	5.16
b) Chemicals Business (CB)		
Speciality chemicals	4,164.95	3,100.32
Fluorochemicals, Refrigerant Gases and allied products	2,641.87	1,724.06
Industrial chemicals	429.50	350.65
Waste/others	0.25	0.01
c) Packaging Films Business (PFB)		
Packaging Films	5,103.52	4,749.26
d) Others		
Coated fabric, laminated fabric and other ancillary activities	387.45	336.61
	14,591.82	**12,312.75**

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39 EARNINGS PER SHARE (EPS)

	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to equity holders of the group used in calculating basic earning per share and diluted earning per share:	2,162.34	1,888.92
Weighted average number of equity shares of the company used in calculating basic earning per share and diluted earning per share (nos.)	29,64,23,669	29,63,06,696
Basic and diluted earnings per share of face value ₹ 10 each *	72.95	63.75

*During the previous year, Company had issued and allotted 23,69,80,820 fully paid up Bonus Equity shares of ₹ 10 each in the ratio of 4:1 (i.e. 4 Bonus Equity shares for every 1 existing equity share of the Company) to the shareholders who held shares on October 14, 2021 (Record date). Accordingly, basic and diluted earnings per share had been calculated based on the weighted average number of shares outstanding in the previous year, as adjusted by issuance of bonus shares.

40 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

40.1 Capital Management

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

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

	As at March 31, 2023	As at March 31, 2022
Debt and lease liabilities	4,477.53	3,655.19
Less:		
Cash and cash equivalents	607.98	450.48
Deposits accounts with maturity beyond three months up to twelve months	0.21	0.20
Current investments	490.05	316.74
Net debt	**3,379.29**	**2,887.77**
Total equity	**10,327.05**	**8,565.36**
Net debt to equity ratio	**0.33**	**0.34**

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40.2 Financial instruments by category

Financial assets	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost						
Trade Receivables		a	1,785.62	1,792.45	1,785.62	1,792.45
Cash and cash equivalents		a	607.98	450.48	607.98	450.48
Bank balances other than above		a	8.48	8.87	8.48	8.87
Loans		a,b	55.84	23.52	55.84	23.52
Other financial assets		a,b	302.06	238.02	302.06	238.02
			2,759.98	**2,513.34**	**2,759.98**	**2,513.34**
Measured at Fair value through profit and loss						
Investments in mutual funds and bonds/debentures	2	d	490.05	316.74	490.05	316.74
Derivative instruments	2	d	0.10	3.64	0.10	3.64
			490.15	**320.38**	**490.15**	**320.38**
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	0.89	124.69	0.89	124.69
			5.05	**128.85**	**5.05**	**128.85**

Financial liabilities	Level of hierarchy	Notes	Carrying value		Fair value	
			As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Measured at amortised cost						
Borrowings		a,c	4,354.06	3,539.35	4,320.89	3,539.35
Trade Payables		a	2,231.27	2,096.35	2,231.27	2,096.35
Other financial liabilities		a,b	576.65	520.20	576.65	520.20
			7,161.98	**6,155.90**	**7,128.81**	**6,155.90**
Measured at Fair value through profit and loss						
Derivative instruments	2	d	7.09	-	7.09	-
			7.09	**-**	**7.09**	**-**
Measured at Fair value through other comprehensive income						
Derivative instruments	2	d	61.29	5.36	61.29	5.36
			61.29	**5.36**	**61.29**	**5.36**

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The following methods / assumptions are 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 and financial liabilities has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

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

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

There are no transfers between Level 1, Level 2 and Level 3 during the Year ended March 31, 2023 and March 31, 2022

Level 1:

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

Level 2:

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

Level 3:

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

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

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

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

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

Reconciliation of Level 3 fair value measurements	Unlisted equity instruments
As at March 31, 2021	**4.16**
Purchases of investment	-
As at March 31, 2022	**4.16**
Purchases of investment	-
As at March 31, 2023	**4.16**

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

40.3 Financial Risk Management

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

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

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

40.3.1 Market Risk

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

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A. Foreign Currency Risk Management

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

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

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

	Assets		Liabilities		Net assets / (liabilities)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
USD	788.95	983.61	3,524.47	2,346.96	(2,735.52)	(1,363.35)
EUR	569.23	283.94	963.05	846.24	(393.82)	(562.30)
JPY	-	-	10.70	6.33	(10.70)	(6.33)
GBP	17.71	21.56	5.63	0.01	12.08	21.55

Foreign currency sensitivity analysis

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

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

	Year ended March 31, 2023		Year ended March 31, 2022	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit / (loss) *				
USD	11.04	(11.04)	5.02	(5.02)
EUR	(0.05)	0.05	1.87	(1.87)
JPY	0.11	(0.11)	0.06	(0.06)
GBP	(0.12)	0.12	(0.22)	0.22

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

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	Year ended March 31, 2023		Year ended March 31, 2022	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on equity (Other comprehensive income)				
USD	16.32	(16.32)	8.62	(8.62)
EUR	3.98	(3.98)	3.75	(3.75)

Foreign exchange derivative and non- derivative financial instruments

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

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

					Maturity			
Outstanding Contracts*	No of Deals		Contract value of foreign Currency (In Millions)		Up to 12 months Nominal Amount* (₹ Crores)		More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
USD/INR Sell forward	278	362	633.00	735.50	2,643.59	2,821.04	2,596.61	3,095.66
EUR/INR Sell forward	1	1	20.00	20.00	202.77	-	-	202.77
EUR/USD Sell forward	9	-	8.96	-	79.41	-	-	-
EUR/USD Buy forward	3	-	10.93	-	97.42	-	-	-
EUR/THB Buy forward	1	6	1.04	18.00	9.77	149.41	-	9.26

* Computed using average forward contract rates

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

	Year ended March 31, 2023		Year ended March 31, 2022	
	Functional currency strengthens by 1%	Functional currency weakens by 1%	Functional currency strengthens by 1%	Functional currency weakens by 1%
Impact on profit / (loss) for the year				
USD	2.63	(2.63)	1.83	(1.83)
EUR	(0.45)	0.45	-	-
Impact on equity (Other Comprehensive income)				
USD	50.67	(50.67)	56.31	(56.31)
EUR	1.99	(1.99)	3.34	(3.34)

B. Interest Rate Risk Management

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

The group manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings. The group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed principal amount outstanding at the time of inception of the swap. Out of the total long term borrowings, the amount of fixed interest loan is ₹ 676.02 crores and floating interest loan is ₹ 2,134.11 crores (Previous year : Fixed interest loan ₹ 938.35 crores and Floating interest loan ₹ 1,562.94 crores)

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

	Year ended March 31, 2023		Year ended March 31, 2022	
	₹ loans interest rate increases by 0.50 %	Foreign currency loans interest rate increases by 0.15 %	₹ loans interest rate increases by 0.50 %	Foreign currency loans interest rate increases by 0.15 %
Decrease in profit before tax by	-	(3.20)	(1.29)	(1.96)

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

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Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The group had certain financial instruments which are impacted by the IBOR reform. During the previous year, the group had renegotiated all working capital facilities agreements and moved to new benchmarks, wherever IBOR reforms had mandated

As per the IBOR reform regulations, USD LIBOR based contracts entered into on or before December 31, 2021 are allowed to continue utilising the facility until the maturity date, provided such date is before June 30, 2023. As at March 31, 2023, the group has two long term loan arrangements which are USD LIBOR benchmark linked and maturing after June 2023. The management of the Company has planned to prepay one of these loans and for the other loan, move to Secured Overnight Financing Rate (SOFR) benchmark prior to June 2023. Any related IRS contract would accordingly be amended

All the EUR denominated long term loans of the Group which are linked to EURIBOR have relevant benchmark replacement/ fall back clauses and do not require any amendment

The management does not envisage any significant impact on the consolidated financial statements due to the migration

Interest Rate Swap Contracts

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

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

Outstanding Contracts	No of Deals		Contract value of foreign Currency (In Millions)		Maturity: Up to 12 months Nominal Amount* (₹ Crores)		Maturity: More than 12 months Nominal Amount* (₹ Crores)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
IRS Contracts (USD) *	2	4	7.18	20.28	59.00	90.76	-	62.79

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

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

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C. Hedge accounting

Cash flow hedges

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

Hedging instruments	As at March 31, 2023 Nominal amount (₹ Crores)	As at March 31, 2023 Carrying amount Assets / (liabilities) (₹ Crores)	As at March 31, 2023 Line item where the hedging instrument is included	Year ended March 31, 2023 Change in the value of the hedging instrument recognised in OCI (₹ Crores)	As at March 31, 2022 Nominal amount (₹ Crores)	As at March 31, 2022 Carrying amount Assets / (liabilities) (₹ Crores)	As at March 31, 2022 Line item where the hedging instrument is included	Year ended March 31, 2022 Change in the value of the hedging instrument recognised in OCI (₹ Crores)
Foreign exchange contracts	5,321.12	-	Other financial assets (current and non - current)	(121.17)	6,091.63	121.17	Other financial assets (current and non - current)	35.63
		(61.29)	Other financial liabilities (current and non - current)	(55.93)		(5.36)	Other financial liabilities (current and non - current)	(5.36)
Foreign currency denominated creditors	182.44	(182.44)	Other financial liabilities (current and non - current)	(20.27)	-	-	Other financial liabilities (current and non - current)	-
Foreign currency denominated loans	1,848.11	(1,848.11)	Non-current/ current borrowings	(57.50)	1,236.86	(1,236.86)	Non-current borrowing	8.20
Interest rate swap contracts	59.00	0.89	Other financial assets (current and non - current)	(2.63)	153.55	3.52	Other financial assets (current and non - current)	2.51
		-	Other financial liabilities (current and non - current)	-		-	Other financial liabilities (current and non - current)	0.54

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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, 2023 Nominal amount (₹ Crores)	As at March 31, 2023 Carrying amount Assets / (liabilities) (₹ Crores)	As at March 31, 2023 Line item where the hedging instrument is included	Year ended March 31, 2023 Change in the value of the hedging instrument recognised in consolidated statement of Profit and loss (₹ Crores)	As at March 31, 2022 Nominal amount (₹ Crores)	As at March 31, 2022 Carrying amount Assets / (liabilities) (₹ Crores)	As at March 31, 2022 Line item where the hedging instrument is included	Year ended March 31, 2022 Change in the value of the hedging instrument recognised in consolidated statement of Profit and loss (₹ Crores)
Foreign exchange contracts*	308.45	(7.09)	Other financial liabilities (current)	(10.73)	186.51	3.64	Other financial assets (current)	(0.75)

* Excluding forward contracts not designated as hedging instruments

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

Particulars	Cash flow hedging reserve As at March 31, 2023	Cash flow hedging reserve As at March 31, 2022	Cost of hedging reserve As at March 31, 2023	Cost of hedging reserve As at March 31, 2022
Opening Balance	34.49	7.53	0.51	3.13
Changes in the spot element of the forward contracts which is designated as hedging instruments for time period related hedge	(24.15)	(3.12)		-
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	-	-	15.68	19.31
Changes in fair value of forward contracts designated as hedging instruments recognised in OCI	(172.01)	28.77	-	-
Changes in fair value of interest rate swaps	(2.63)	3.05	-	-
Amount reclassified to profit or loss (Foreign exchange (gain) / loss)	41.61	16.54	(10.66)	(21.48)
Amount arising from remeasurement of financial liability	(95.23)	(5.25)	-	-
Taxes related to above	67.58	(13.03)	(0.79)	(0.45)
Closing Balance	**(150.34)**	**34.49**	**4.74**	**0.51**

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Investment Risks

The primary goal of the Group's investment is to maintain liquidity along with meeting group's strategic purposes. Depending upon the investment strategy at inception, management classifies certain investments as FVTPL.The following table details the group's sensitivity to a 1% increase and decrease in the price of instruments.

	Year ended March 31, 2023		Year ended March 31, 2022	
	Market price increase by 1%	Market price decrease by 1%	Market price increase by 1%	Market price decrease by 1%
Impact on profit / (loss) for the year	4.90	(4.90)	3.17	(3.17)

40.3.2 Credit Risk Management

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

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Investments of surplus funds are made only with counterparties who meet the parameters specified in Investment Policy of the group. 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.

The derivatives are entered into with reputed and well established bank and financial institution counterparties.

The cash and cash equivalents and other bank balances are held with banks, financial institution and other counterparties, which are rated AA or above. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group limits its exposure to credit risk by investing in liquid debt securities and only with counterparties that have a credit rating of at least AA or above. The group permits exposure in corporate bonds only up to the specified amount as per its Board policy. Also, mutual fund investments are permitted only in those funds where the corpus size is more than ₹ 2,000 crores. The Group monitors its investment portfolio on continues basis to assess whether there has been a significant increase in credit risk whether or not reflected in the published ratings.

Expected credit loss on financial assets:

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

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

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

	Note No.	As at March 31, 2023	As at March 31, 2022
Loans - current	8	2.74	2.74
Trade receivables	13	5.30	3.45
		8.04	**6.19**

Movement of loss allowance :

	Loans (Current and non current)	Trade receivables
As at March 31, 2021	**2.74**	**5.03**
Provided during the year	0.17	0.78
Reversed/ utilised during the year	(0.17)	(2.34)
As at March 31, 2022	**2.74**	**3.45**
Provided during the year	-	1.89
Reversed/ utilised during the year	-	(0.04)
As at March 31, 2023	**2.74**	**5.30**

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

40.3.3 Liquidity Risk Management

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

The Group has a secured bank loans which contain loan covenants. A future breach of any covenant may require the Group to repay the loans earlier than their original payment date. These covenants are monitored by the treasury department and regularly reported to management to ensure compliance with the agreement.

The Group also participates in a supply chain financing arrangement SCF) with the principal purpose of facilitating efficient payment processing of supplier invoices. The SCF allows the Group to centralise payments of trade payables to the bank rather than paying each supplier individually. While the SCF does not extend payment terms beyond the normal terms agreed with other suppliers that are not participating, the programme assists in making cash outflows more predictable. Also refer note 20.

Also refer note 13 for receivables purchase agreements entered into by the group as a part of its liquidity risk management policy.

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

As at March 31, 2023	Less than 1 year	More than 1 year and up to 5 years	More than 5 years	Total
Borrowings*	2,151.94	2,467.17	-	4,619.11
Lease Liabilities **	34.45	94.22	50.46	179.13
Trade payables	2,231.27	-	-	2,231.27
Derivative liabilities	42.14	26.24	-	68.38
Other financial liabilities	443.42	133.23	-	576.65
	4,903.22	**2,720.86**	**50.46**	**7,674.54**

As at March 31, 2022	Less than 1 year	More than 1 year and up to 5 years	More than 5 years	Total
Borrowings*	1,819.30	1,783.41	-	3,602.71
Lease Liabilities **	28.63	84.50	59.52	172.65
Trade payables	2,096.35	-	-	2,096.35
Derivative liabilities	5.03	0.33	-	5.36
Other financial liabilities	366.67	153.53	-	520.20
	4,315.98	**2,021.77**	**59.52**	**6,397.27**

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

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

41 Contract balances

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

Contract liability	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	28.32	18.40
Revenue recognised that was included in the contract liability balance at the beginning of the period	(28.32)	(18.40)
Increase due to cash received, excluding the amount recognised as revenue during the period	45.90	28.32
	45.90	**28.32**

42 Assets classified as held for sale

(a) Description:

During the previous year, the management had decided to dispose off inoperative assets related to Industrial Yarn Unit. Accordingly, these assets had been classified as assets held for sale in terms of Ind AS 105- "Non-current assets held for sale and discontinued operations" and recognised at their estimated fair value. Till March 31, 2021, these assets were reported under "Technical textiles business segment" in accordance with the requirements of Ind AS 108 – "Operating Segments" in the consolidated financial statements.

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(b) Assets classified as held for sale:

	As at March 31, 2023	As at March 31, 2022
Property plant and equipment	-	3.00

(c) Loss recognised on:

	Year ended March 31, 2023	Year ended March 31, 2022
(i) Impairment of goodwill	-	0.62
(ii) Fair value of assets classified as held for sale	-	5.75

43 Right-of-use assets

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

Particulars	Land *	Buildings	Plant & equipment	Total
Cost				
Balance at April 1, 2021	151.29	46.25	49.89	**247.43**
Additions/adjustments	4.88	(0.45)	58.59	**63.02**
Derecognition	-	-	(8.20)	**(8.20)**
Balance at March 31,2022	**156.17**	**45.80**	**100.28**	**302.25**
Additions/adjustments	28.48	(0.37)	31.31	**59.42**
Derecognition	-	-	(5.70)	**(5.70)**
Balance at March 31,2023	**184.65**	**45.43**	**125.89**	**355.97**
Accumulated depreciation				
Balance at April 1, 2021	2.55	12.97	15.15	**30.67**
Depreciation expenses	1.74	6.59	16.10	**24.43**
Derecognition	-	-	(8.20)	**(8.20)**
Balance at March 31, 2022	**4.29**	**19.56**	**23.05**	**46.90**
Depreciation expenses	2.04	6.83	18.69	**27.56**
Derecognition	-	-	(5.70)	**(5.70)**
Balance at March 31,2023	**6.33**	**26.39**	**36.04**	**68.76**
Net block				
Balance at March 31, 2022	**151.88**	**26.24**	**77.23**	**255.35**
Balance at March 31, 2023	**178.32**	**19.04**	**89.85**	**287.21**

*The execution of lease deed of land in respect of 11,65,437 square meters of leasehold land already alloted (out of a total of 11,81,776 square meters) to the Company is pending. As a process agreed with Gujarat Industrial Development Corporation (GIDC), the same will be executed once the entire / substantial portion of the above piece of land is allotted / handed over to the Company.

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Lease liabilities included in the Balance Sheet	As at March 31, 2023	As at March 31, 2022
Current	25.90	20.66
Non-current	97.57	95.18

The average incremental borrowing rate applied to lease liabilities during the year ranges from 7.75% to 8.75% (Previous year: 6.40% to 7.00%)

Amounts recognised in Statement of Profit and Loss	Year ended March 31 2023	Year ended March 31 2022
Interest on lease liabilities	8.99	8.69
Depreciation expense	27.56	24.43
Expenses relating to short-term leases and leases of low-value assets (Refer note 30)	39.66	30.36

Amounts recognised in Cash Flow Statement	Year ended March 31 2023	Year ended March 31 2022
Total cash outflow for leases	32.47	25.68

44 Group Information

Name	Principal activities	Country of incorporation	% equity interest	
			March 31, 2023	March 31, 2022
SRF Holiday Home Limited	Development and lease of Industrial, commercial and residential complexes	India	100%	100%
SRF Altech Limited	Manufacture of Aluminium films	India	100%	100%
SRF Employees Welfare Trust (Controlled Trust)	Implementation and operationalisation of long term incentive plans of the Company	India	*	*
SRF Global BV	Investment company	Netherlands	100%	100%
SRF Flexipak (South Africa) (Pty) Limited (subsidiary of SRF Global BV)	Manufacture of BOPP and metallized BOPP films	Republic of South Africa	100%	100%
SRF EUROPE Kft (subsidiary of SRF Global BV)	Manufacture of Polyester film and metallized Polyester film	Hungary	100%	100%
SRF Industries (Thailand) Limited (subsidiary of SRF Global BV)	Manufacture of Tyre cord fabric, Polyester film and metallized Polyester film & trading of chemical products	Thailand	100%	100%
SRF Industex Belting (Pty) Limited (subsidiary of SRF Global BV)	Trading of packaging films and chemical products	Republic of South Africa	100%	100%

* By virtue of management control.

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

	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ Crores)	As % of consolidated Share in profit or loss	Amount (₹ Crores)	As % of consolidated other comprehensive income	Amount (₹ Crores)	As % of total consolidated comprehensive income	Amount (₹ Crores)
I	**Parent - SRF Limited**	90%	9,253.55	94%	2,023.36	97%	(189.59)	93%	1,833.77
II	**Subsidiaries:**								
A	**Indian**								
1	SRF Holiday Home Limited		3.78		0.02		-		0.02
2	SRF Altech Limited		1.31		(1.40)		(0.01)		(1.41)
3	SRF Employees Welfare Trust (Controlled Trust)		0.04		(0.00)		-		(0.00)
B.	**Foreign**								
1	SRF Global BV (Consolidated)	11%	1,170.10	6%	139.84	3%	(6.08)	7%	133.76
	Adjustments arising out of consolidation	(1)%	(101.73)		0.52		0.05		0.57
	Total	**100%**	**10,327.05**	**100%**	**2,162.34**	**100%**	**(195.63)**	**100%**	**1,966.71**
	Non-controlling Interests in all subsidiaries	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

46 Business Combinations

Effective March 04, 2022, one of subsidiaries (SRF Industex Belting (Pty) Limited) in the group acquired a business from an external party (Supratov Investments CC). The following assets were recognised as at the date of acquisition on the basis of provisional purchase price allocation.

Assets acquired	Year ended March 31 2023	Year ended March 31 2022
Inventories	-	15.71
Intangible assets (Customer Contracts)	-	9.79
Purchase Price	**-**	**25.50**

During the previous year, based on the available information, the management had identified the above mentioned assets and carried out initial accounting as per Ind AS 103. During the current year, no significant adjustment has been made to the provisional purchase price allocation.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

47 ADDITIONAL DISCLOSURES

(a) RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹ 129.31 crores (Previous Year - ₹ 116.99 crores) included in these financials statements are as under:

	Year ended March 31, 2023	Year ended March 31, 2022
Capital expenditure	7.22	8.49
Revenue expenditure	122.09	108.50
	129.31	**116.99**

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

	Year ended March 31, 2023	Year ended March 31, 2022
Cost of material consumed	3.31	1.68
Salaries and wages, including Bonus	51.23	49.11
Contribution to provident and other funds	3.21	2.92
Workmen and staff welfare expenses	8.92	3.37
Stores and spares consumed	3.66	4.94
Power and fuel	12.45	7.94
Rent	0.09	0.26
Repairs and maintenance		
- Buildings	0.01	-
- Plant and machinery	12.68	10.63
- Others	0.96	0.85
Insurance	1.06	1.02
Rates and taxes	0.08	0.06
Travelling and conveyance	1.58	0.51
Legal and professional charges	3.47	4.12
Depreciation and amortisation expense	14.19	16.65
Interest cost	0.07	0.05
Miscellaneous expenses	5.12	4.39
	122.09	**108.50**

(b) MANAGERIAL REMUNERATION

	Year ended March 31, 2023	Year ended March 31, 2022
(i) (a) Remuneration to Chairman / Managing Director / Deputy Managing Director / Whole time Director		
Salary and contribution to provident and other funds	25.02	16.39
Value of perquisites	2.18	2.58
Commission	16.00	18.00
SUB-TOTAL	**43.20**	**36.97**

	Year ended March 31, 2023	Year ended March 31, 2022
(b) Remuneration to Non Executive Directors		
Commission	1.16	0.90
Directors sitting fees	0.27	0.29
Other fees	-	0.06
SUB-TOTAL	**1.43**	**1.25**
TOTAL	**44.63**	**38.22**

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

Exchange loss/ (gain) added/ (adjusted)	Year ended March 31, 2023	Year ended March 31, 2022
Property, plant and equipment		
- Roads	0.13	0.11
- Buildings	1.75	1.52
- Plant and equipment	16.58	13.60
- Furniture and fixtures	0.04	0.04
- Office equipment	-	0.01
	18.50	**15.28**

The cumulative exchange loss/ (gain) added/ (adjusted) and remaining unamortised as at March 31, 2023 is ₹ 246.11 Crores (Previous year: ₹ 258.34 Crores).

(d) Disclosure on corporate social responsibility expense:

	Year ended March 31, 2023	Year ended March 31, 2022
(i) Amount required to be spent by the company during the year	28.56	18.61
(ii) Amount of expenditure incurred	28.63	19.06*
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason of shortfall	-	-

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

		Year ended March 31, 2023	Year ended March 31, 2022
(vi) Nature of CSR activities	School education, promotion of healthcare, Olympic sports, disaster management, environmental projects, Vocational skill and livelihoods projects and promotion of art and cultural projects and other CSR projects		
(vii) Details of related party transactions		28.23	21.38 ^
(viii) Provision made with respect to a liability incurred by entering into a contractual obligation		-	-

*This includes ₹ 18.68 crores pertaining to financial year 2021-22 and ₹ 0.37 crores pertaining to financial year 2020-21. In accordance with the above amended rules, the Company had taken credit for ₹ 0.37 crores for excess CSR expenditure incurred during financial year 2019-20 and adjusted the same towards the CSR obligation for financial year 2020-21. However, the Ministry of Corporate Affairs (MCA), through its circular dated August 25, 2021, clarified that the companies cannot set off excess CSR amount spent prior to financial year 2020-21. Accordingly, an amount of ₹ 0.37 crore had been transferred in previous year to one of the specified funds prescribed under Schedule VII to the Companies Act, 2013 before September 30, 2021.

^ Includes unspent amount of ₹ 2.70 crores for the year ended March 31, 2021.

(e) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2023 is to be conducted on or before due date of the filing of return and the Company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

(f) OTHER STATUTORY INFORMATION

(i) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of subsidiaries incorporated in India, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) There are no funds which have been received by the Holding Company or any of subsidiaries incorporated in India, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall:

a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

(iii) The group does not have any transactions with companies which are struck off, except the following:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at March 31, 2023	Balance outstanding as at March 31, 2022	Relationship with the struck off company, if any
Jyotsna Engineers & Consultants Private Limited	Receivables	^	^	Vendor
Krishna Freeze Private Limited	Payables	0.02	0.01	Customer
Perfect Refcon & Tools Private Limited	Payables	0.01	0.01	Customer
Shree Krishna Well Pack Private Limited	Payables	0.03	-	Vendor
Shakun and Company Services Private Limited	Receivables	*	-	Vendor

^ Amount in absolute ₹ 2,000 (Previous year: ₹ 2,000)

* Amount in absolute ₹ 618 (Previous year: Nil)

(iv) The group does not have any benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.

(v) The group is not declared a wilful defaulter by any bank or financial institution or any other lender.

(vi) The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(vii) The group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(ix) The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

As per our report of even date attached

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

Kaushal Kishore
Partner
Membership No.: 090075

Place: Gurugram
Date : May 09, 2023

For and on behalf of the Board of Directors

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557

Bharti Gupta Ramola
Director
DIN - 00356188

Rahul Jain
President & CFO

Rajat Lakhanpal
Senior Vice President (Corporate Compliance) and Company Secretary

Place: Gurugram
Date : May 09, 2023

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

A Statement showing salient features of the financial statements of subsidiaries

Indian Subsidiaries

S. No.	Name of the subsidiary	SRF Holiday Home Limited (subsidiary of SRF Limited) (₹ Crores)	SRF Altech Limited (subsidiary of SRF Limited) (₹ Crores)
(a)	Reporting Period	April 1, 2022 to March 31, 2023	April 1, 2022 to March 31, 2023
(b)	Date since when subsidiary was acquired/formed	30.01.2008	15.03.2022
(c)	Reporting Currency	INR	INR
(d)	Exchange Rate	-	-
(e)	Share Capital	4.00	5.00
(f)	Reserves and Surplus	(0.22)	(3.69)
(g)	Total Assets	3.80	285.02
(h)	Total Liabilities	0.02	283.71
(i)	Investment	-	-
(j)	Turnover	-	-
(k)	Profit/(Loss) Before Taxation	0.01	(1.63)
(l)	Tax expense / (income)	(0.02)	(0.23)
(m)	Profit/(Loss) After Taxation	0.02	(1.39)
(n)	Proposed Dividend	-	-
(o)	% of shareholding	100%	100%

Foreign Subsidiaries

S. No.	Name of the subsidiary	SRF Global BV# (subsidiary of SRF Limited)		SRF Flexipak (South Africa) (Pty) Limited# (subsidiary of SRF Global BV)	
		USD	₹ Crores	Rand	₹ Crores
(a)	Reporting Period	April 1, 2022 to March 31, 2023		April 1, 2022 to March 31, 2023	
(b)	Date since when subsidiary was acquired/formed	20.10.2008		26.10.2011	
(c)	Reporting Currency	USD	₹ Crores	Rand	₹ Crores
(d)	Exchange Rate	82.21		4.62	
(e)	Share Capital	1,40,20,050	115.26	100	0.00
(f)	Reserves and Surplus	(2,10,82,013)	(173.32)	75,22,09,052	347.52
(g)	Total Assets	6,75,21,253	555.09	1,02,80,43,832	474.96
(h)	Total Liabilities	7,45,83,216	613.15	27,58,34,680	127.44
(i)	Investment	*	*	-	-
(j)	Turnover	-	-	1,32,30,48,471	611.25
(k)	Profit/(Loss) Before Taxation	(11,23,730)	(9.24)	27,80,13,343	128.44
(l)	Tax expense / (income)	-	-	7,50,63,602	34.68
(m)	Profit/(Loss) After Taxation	(11,23,730)	(9.24)	20,29,49,741	93.76
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

* Investment in subsidiary USD 1,80,50,219 (Equivalent to ₹ 148.39 crores)

S. No.	Name of the subsidiary	SRF Industries (Thailand) Limited# (subsidiary of SRF Global BV)		SRF Industex Belting (Pty) Limited# (subsidiary of SRF Global BV)	
		THB	₹ Crores	Rand	₹ Crores
(a)	Reporting Period	April 1, 2022 to March 31, 2023		April 1, 2022 to March 31, 2023	
(b)	Date since when subsidiary was acquired/formed	08.09.2008		13.06.2008	
(c)	Reporting Currency	THB	₹ Crores	Rand	₹ Crores
(d)	Exchange Rate	2.4		4.62	
(e)	Share Capital	20,00,00,300	48.00	1,33,20,202	6.15
(f)	Reserves and Surplus	3,62,45,90,919	869.90	(4,08,69,185)	(18.88)
(g)	Total Assets	8,10,72,95,730	1,945.75	14,53,91,014	67.17
(h)	Total Liabilities	4,28,27,04,511	1,027.85	17,29,39,996	79.90
(i)	Investment	-	-	-	-
(j)	Turnover	7,47,92,79,205	1,795.03	29,76,07,145	137.49
(k)	Profit/(Loss) Before Taxation	52,67,39,462	126.42	(1,22,16,803)	(5.64)
(l)	Tax expense / (income)	80,08,007	1.92	(1,80,35,711)	(8.33)
(m)	Profit/(Loss) After Taxation	51,87,31,455	124.50	58,18,907	2.69
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

S. No.	Name of the subsidiary	SRF Europe Kft# (subsidiary of SRF Global BV)	
		EURO	₹ Crores
(a)	Reporting Period	April 1, 2022 to March 31, 2023	
(b)	Date since when subsidiary was acquired/formed	25.04.2018	
(c)	Reporting Currency	EURO	₹ Crores
(d)	Exchange Rate	89.39	
(e)	Share Capital	10,10,000	9.03
(f)	Reserves and Surplus	1,13,354	1.01
(g)	Total Assets	10,12,11,192	904.73
(h)	Total Liabilities(external liabilities)	10,00,87,838	894.69
(i)	Investment	-	-
(j)	Turnover	6,49,03,310	580.17
(k)	Profit/(Loss) Before Taxation	(82,20,831)	(73.49)
(l)	Tax expense / (income)	22,821	0.20
(m)	Profit/(Loss) After Taxation	(82,43,652)	(73.69)
(n)	Proposed Dividend	-	-
(o)	% of shareholding	100%	

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

(i)	1 USD = ₹ 82.21
(ii)	1 Baht = ₹ 2.40
(iii)	1 Rand = ₹ 4.62
(iv)	1 Euro = ₹ 89.39

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

Name of Associate Companies/Joint Ventures#	Malanpur Captive Power Ltd.	Vaayu Renewable Energy(Tapti) Pvt. Ltd.
Latest audited Balance Sheet date	31.03.2022	31.03.2022
Share of Associate Companies held by the Company on the year end	4.22	0.05
Date on which the Associate was associated or acquired	09.01.2007	29.05.2013
Shares of associate held by the company on the year end		
Number of shares :	42,21,535	50,000
Amount of investment in Associate Companies	4.22	0.05
Extent of holding (%)	22.60%	26.32%
Description of how there is significant influence	Due to control of at least 20% of total share capital as envisaged in Sec. 2(6) of the Companies Act, 2013	Due to control of at least 20% of total share capital as envisaged in Sec. 2(6) of the Companies Act, 2013
Reason why the associate company is not consolidated	*	*
Net worth attributable to shareholding as per latest Audited Balance Sheet	(8.69)	10.95
Profit & loss for the year		
(i) Considered in Consolidation	Nil	Nil
(ii) Not considered in Consolidation	(1.24)	(0.64)

The company has no joint venture

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

For and on behalf of the Board of Directors

Ashish Bharat Ram
Chairman and Managing Director
DIN - 00671567

Kartik Bharat Ram
Joint Managing Director
DIN - 00008557

Bharti Gupta Ramola
Director
DIN - 00356188

Rahul Jain
President & CFO

Rajat Lakhanpal
Senior Vice President (Corporate Compliance) and Company Secretary

Place: Gurugram
Date : May 09, 2023

We always find a better way

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