SRF

We always find a better way

Annual Report 2016-17

What's inside

Message from the Chairman

"Strategic focus, technology innovation, customer focus and disciplined allocation of capital will guide our efforts in FY 2017-18, with an intended focus of further cementing our three strong, independent, industry-leading businesses"

Dear Shareholders,

Today's business environment is characterised by increasingly high levels of volatility. It defines the new *'business as usual'*. However, having said that the Indian Government has done well to record a growth rate of 7.1 per cent during FY 2016-17, when compared with other large economies in the world. The Government has been steadfast in its desire to carry out reforms across various spheres. The rollout of the Goods and Services Tax (GST) is by far the most ambitious and path-breaking reform in the recent history of our country. One must also realise that such a massive initiative will have short-term change issues to deal with, but I am convinced that this reform singlehandedly can take us into a significantly higher growth trajectory. The seriousness with which the Government is taking on the Non-Performing Assets (NPAs) problem of the Banking industry is also commendable. This needed to happen and will ensure that over time good companies will be able to access cheaper funds for growth.

Our actions in FY 2016-17 further strengthened our foundation amidst macro challenges

The Company performed well in FY 2016-17, which is largely due to our diversified business model. It continues to remain one of our key strengths. Furthermore, we ensured that we delivered on our profitability goals and made progress on our operational efficiencies. I am pleased to inform that we maintained a robust profit after tax increase of 20% when compared to the previous financial year and our revenues for the year remained stable.

With an established presence of close to 50 years in the country and strengthened customer intimacy programmes, the Company continues to be a market leader across all its business segments.

Sustained investment in infrastructure, innovation and human capital

Throughout FY 2016-17, our Board and management team were looking ahead, acting on several fronts to ensure that SRF would not only address the current challenges, but also have the foundation ready for continued success regardless of macro conditions.

In the past year, we continued to consolidate our leadership position in our Fluorochemicals Business with a fifty percent plus market share on account of increased volumes and wider product offerings. We successfully developed in-house HFC blending capability in record time and initiated the production of R 410 A and R 407 C, providing a unique edge to us. We have become the first company in India to launch R 22 cans in the Indian market that are marketed under our brand name FLORON. We believe that this launch will go a long way in ensuring genuine product usage in the market. Furthermore, we have also launched the FLORON brand in Thailand, which is a promising market for us. Our ongoing investment in product development continues to drive strong near-term results for us in the refrigerant gases space and strengthens our position in the marketplace.

For our Specialty Chemicals Business, sustainable growth is key and we aim to achieve that by focussing on innovations to build a strong pipeline for induction of new offerings in both the agrochemical and pharmaceutical segments. As a valued partner to our customers, I am pleased to inform that we received the 2016 Supplier Award for Health, Safety and Environment from Syngenta and the 2017 Supplier Award for Sustainability from Bayer. These awards are an endorsement of our *'Customer First'* strategy, as we continue to make every possible attempt to lead the markets by listening to the needs of our customers. While we remain very positive on the long-term potential of the Company's Specialty Chemicals Business to create tremendous value for our shareholders, we expect FY 2017-18 to be a slow growth year with agrochemicals remaining weak.

Our Packaging Films Business (PFB), which despite being a cyclical business continues to make a healthy contribution to the Company's top line and the bottom line. Our PFB plants ran to full capacity utilisation despite an over-supply in the market.

In February 2017, PFB turned an important chapter in its journey with a new Bi-axially Oriented Polyethylene Terephthalate (BOPET) Film Plant and Metalliser Plant going on stream, ahead of schedule. This line is also the first phase of the new greenfield Packaging Film facility in the Domestic Tariff Area, Indore. The new manufacturing line is a part of the Company's overall strategy to grow and thrive – reinvesting in capacity-building, delivering significant value for shareholders and matching precise customer requirements. We also continue to focus on increasing the share of innovative value-added products to the overall PFB portfolio.

With benchmark lowest cost structures in the industry and increased agility, PFB will remain steadfast on its journey to deliver a superior *'Easy to Do Business With'* experience for our valued customers.

Within the Technical Textiles Business, the Nylon Tyre Cord Fabric business continues to retain market leadership in an increasingly competitive environment. We continue to focus on increasing cost efficiencies in this segment through a judicious management of raw material and inventories. Similarly, we continue to maintain a leadership position in other segments such as Coated Fabrics and retain price leadership in the Laminated Fabrics segment. In Belting Fabrics, we have successfully increased our market share by deeper penetration into Tier II players. In FY 2017-18, we will continue to deliver improved productivity and greater consistency to drive value for our stakeholders.

The growth of the Company is not possible without fully engaging the hearts, minds and passion of our employees. SRF promotes an environment where creativity is nurtured and individual talents are respected. As our organisation grows to better reflect the diverse nature of the markets we serve, we continue to build strong systems and infuse talent into our organisation, both in the areas of operations and R&D to help us in our growth path in the future. I am also pleased to share that we have recently rolled out the SRF Aspirations – 2025 company-wide, striving to continuously be known and respected for our Professional Reputation and Value System, Customer Advocacy, Innovation and Technology Leadership, and Operational Excellence.

Our commitment towards the communities where we operate also remained steadfast. Our key initiative of providing 'Quality Education to All', which is also one of the largest community programmes imparting education and vocational training programmes to underprivileged children and youth across the country was further strengthened during the past year by improving infrastructure facilities in Government schools, promoting computer-aided learning, launching a mobile bus for digital inclusion of communities, among other initiatives. This has been the Company's humble way of making a small, yet deeply felt contribution to the cause that is important and vital to our society.

Moving forward

Strategic focus, technology innovation, customer focus and disciplined allocation of capital will guide our efforts in FY 2017-18, with an intended focus of further cementing our three strong, independent, industry-leading businesses.

We have high aspirations to grow, improve our business, reduce costs and generate sustainable, profitable growth. Our focus for the year ahead is on positioning SRF to continue growing revenues, earnings and cash flow as well as embrace the principles of sustainability and environmental responsibility.

As we look to FY 2017-18 and beyond with confidence, we express our appreciation and gratitude to our employees, associates and shareholders.

Arun Bharat Ram
Chairman

Company Information

Board of Directors


Arun Bharat Ram
Chairman


Lakshman Lakshminarayan


Ashish Bharat Ram
Managing Director


Vinayak Chatterjee


Kartik Bharat Ram
Dy. Managing Director


Vellayan Subbiah


Dr. Meenakshi Gopinath
Director – CSR


Tejpreet S Chopra


Pramod G. Gujarathi
Director (Safety & Environment)


Pramod Bhasin

Auditors
M/s Deloitte Haskins & Sells, Chartered Accountants

CFO & Company Secretary
Anoop K Joshi

Bankers
- ICICI Bank
- State Bank of India
- Standard Chartered Bank
- Citibank NA
- Yes Bank
- HDFC Bank
- Kotak Mahindra Bank
- HSBC
- Bank of Tokyo Mitsubishi UFJ Ltd.
- The Bank of Nova Scotia Asia Ltd.
- DBS Bank
- Barclays Bank
- IDFC Bank

Registered Office
(CIN: L18101DL1970PLC005197)
C-8, Commercial Complex,
Safdarjung Development Area,
New Delhi -110 016, India
Email: info@srf.com Website: www.srf.com

Corporate Office
Block - C, Sector - 45, Gurgaon - 122 003,
Haryana, India

Chemicals and Polymers Business: Plants

- Village & P.O. Jhiwana, Tehsil Tijara, Distt. Alwar - 301 018, Rajasthan
- Manali Industrial Area, Manali, Chennai - 600 068, Tamil Nadu
- Plot No. 14 C, Sector 9, IIE Pantnagar Distt. Udham Singh Nagar - 263 153, Uttarakhand
- D II/I GIDC, PCPIR, Phase II, Tal. Vagra, Village Dahej, Distt. Bharuch - 392 130, Gujarat

Technical Textiles Business: Plants

- Manali Industrial Area, Manali, Chennai - 600 068, Tamil Nadu
- Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi, Distt. Thiruvallur - 601 201, Tamil Nadu
- Viralimalai, Distt. Pudukottai - 621 316, Tamil Nadu
- Industrial Area, Malanpur, Distt. Bhind - 477 116, Madhya Pradesh
- Plot No. 12, Rampura, Ramnagar Road, Kashipur, Distt. Udham Singh Nagar - 244 713, Uttarakhand

Packaging Films Business: Plants

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

SRF Limited

(CIN: L18101DL1970PLC005197)

Regd. Office: C-8, Commercial Complex, Safdarjung Development Area, New Delhi-110016

Tel. No: (+91-11) 26857141, (+91-124) 4354400 Fax: (+91-11) 26510428, (+91-124) 4354500

Email: info@srf.com website: **www.srf.com**

NOTICE

Notice is hereby given that the **46th Annual General Meeting** of SRF Limited will be held on **Tuesday, August 8, 2017** at 3.30 p.m. at the Laxmipat Singhania Auditorium, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016 to transact the following businesses:-

Ordinary Business

1. To receive, consider and adopt the standalone and consolidated audited financial statements of the Company for the financial year ended March 31, 2017 along with the Reports of the Auditors' and Board of Directors' thereon.

2. To appoint a Director in place of **Mr. Arun Bharat Ram** (DIN 00694766), 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:**

   To ratify appointment of auditors of the Company as approved by the members at the 43rd Annual General Meeting:

   "RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, recommendations of the Audit Committee and the resolution passed by the members at the forty third annual general meeting held on August 4, 2014, the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants, New Delhi (Registration No. 015125N) as Auditors of the Company be and is hereby ratified from the conclusion of this meeting till the conclusion of 47th Annual General Meeting."

Special Business

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

   Appointment of **Mr. Pramod Gopaldas Gujarathi** as Director:

   "RESOLVED THAT Mr. Pramod Gopaldas Gujarathi (DIN 00418958), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from April 1, 2017, in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and the period of his office shall be liable to determination by retirement of directors by rotation."

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

   Appointment and the terms and conditions of appointment of **Mr. Pramod Gopaldas Gujarathi** (DIN 00418958) as a Whole-Time Director, designated as "Director (Safety & Environment) and Occupier"

   "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 the 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, 2017. He shall be liable to retire by rotation.

   Functions

   Mr. Pramod Gopaldas Gujarathi shall be responsible for compliances with the laws relating to safety, health and environment at the factories of the Company, present and future and such other responsibilities, if any, as may be entrusted to him by the Chairman, Managing Director, Deputy 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 of salary, perquisites and commission, as may be decided by the Board/ Nomination and Remuneration Committee in accordance with the Nomination, Appointment and Remuneration Policy within an overall ceiling of 5% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013. 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 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 as Director (Safety & Environment) & 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/ Board of Directors be and is hereby authorised to recommend/decide from time to time the salary, perquisites and commission payable to Mr. Pramod Gopaldas Gujarathi during his tenure with effect from April 1, 2017 within the approved ceiling of remuneration in accordance with the Nomination and Remuneration Policy."

"RESOLVED FURTHER THAT in the event of any further revision in the levels of permissible managerial remuneration, the Board of Directors/ Nomination and Remuneration Committee be and is hereby authorised to alter, vary and increase the remuneration of Mr. Pramod Gopaldas Gujarathi, notwithstanding the overall remuneration set out above, as may then be prescribed / permissible without requiring any further resolution or consent of or reference to the general meeting."

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

Re-appointment of **Mr Arun Bharat Ram** (DIN-00694766) as Chairman with Executive Powers:

"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 the reappointment of Mr Arun Bharat Ram as Chairman with executive powers of the company on the terms, conditions and remuneration, including minimum remuneration as are hereinafter specifically given:

Tenure

5 years with effect from June 15, 2018. He shall be liable to retire by rotation.

Functions

Subject to the direction, control and superintendence of the Board of Directors, Mr. Arun Bharat Ram shall provide pro-active guidance to the Management Team and participate in all critical decisions.

Remuneration

Subject to the overall limit on remuneration payable to all the managerial personnel taken together, the remuneration payable to Mr. Arun Bharat Ram shall comprise of salary, perquisites and commission, as may be decided by the Board/Nomination and Remuneration Committee in accordance with the Nomination, Appointment and Remuneration Policy within an overall ceiling of 5% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013.

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. Arun Bharat Ram shall be decided by the Nomination and Remuneration Committee subject to the provisions of Companies Act, 2013 and such other approvals, if any, as may be required.

Termination

The appointment of Mr. Arun Bharat Ram as Chairman in executive capacity may be terminated by either party giving to the other six calendar months' notice in writing.

In the event of termination of this appointment of Mr. Arun Bharat Ram by the Company, he shall be entitled to receive compensation in accordance with the provisions of the Companies Act, 2013 or any statutory amendment or re-enactment thereof.

"RESOLVED FURTHER THAT in the event of any further revision in the levels of permissible managerial remuneration, the Board of Directors/ Nomination and Remuneration Committee be and is hereby authorised to alter, vary and increase the remuneration of Mr Arun Bharat Ram, notwithstanding the overall remuneration set out above, as may then be prescribed/permissible without requiring any further resolution or consent of or reference to the general meeting."

"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. Arun Bharat Ram during his tenure with effect from June 15, 2018 within the approved ceiling of remuneration in accordance with the Nomination and Remuneration Policy."

"RESOLVED FURTHER THAT the powers and authorities delegated by the Board to Mr. Arun Bharat Ram from time to time including powers to sub-delegate shall remain valid upon his re-appointment."

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

Ratification of Remuneration of Cost Auditors for financial year 2017-18

"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, 2018 as provided below, be and is hereby approved and ratified:

Name of Cost Auditor	Business	Remuneration payable
H Tara & Co. (Membership No. 17321)	Technical Textile Business and Engineering Plastic Business	₹ 3.60 lakhs plus taxes as applicable and reimbursement of actual out of pocket expenses
Sanjay Gupta & Associates (Membership No. 18672)	Chemicals Business and Packaging Film Business	₹ 5.00 lakhs plus taxes as applicable and reimbursement of actual out of pocket expenses

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

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

"RESOLVED THAT pursuant to the provisions of Section 42, 71, 179 and any other applicable provisions, if any, 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 including commercial paper, in one or more series/tranches, aggregating upto ₹ 2000 crores (Rupees two thousand crores), on private placement, 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."

NOTES

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

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

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

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

3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, August 1, 2017 to Tuesday, August 8, 2017 (both days inclusive) for the purposes of holding the Annual General Meeting.

4. Members holding shares in physical form are requested to notify change in address and bank mandate, bank particulars, if any, under their signatures to **Karvy Computershare Private Limited**, Karvy Selenium Tower-B, Plot No. 31 & 32, Financial Dist., Gachibowli, Nanakramguda, Seri Lingampally, Hyderabad - 500 008, Telangana, the Registrar & Share Transfer Agent (RTA), quoting folio Nos. Members holding shares in electronic form may update such details with their respective Depository Participants.

   In terms of Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) pertaining to (i) transfer of physical shares (ii) deletion of name of the deceased shareholder(s) where the shares are held in the name of two or more shareholders (iii) transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares; and (iv) transposition of shares- when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders, of the listed companies, the transferor(s) and transferee(s) are requested to furnish copies of their Permanent Account Number (PAN) Cards, along with other requisite documents as required by the said regulation.

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

6. The Company has transferred the unpaid or unclaimed dividend declared up to the financial year ended 31 March 2010, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 8, 2016 (date of last Annual General Meeting) on the website of the Company (http://www.srf.com/investor-relations/investors.html), as also on the website of the Ministry of Corporate Affairs.

7. Shareholders are advised that those who have not encashed their dividend warrant(s) so far for dividends declared after April 1, 2010 may send their outdated dividend warrants to the Company at its Corporate Office or to the Registrar and Share Transfer Agent, M/s Karvy Computershare Private Limited for issue of demand drafts in lieu thereof.

8. The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules 2016') which amongst other things provides for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case any dividend has not been encashed by the shareholders on such shares during the last seven years to the designated Suspense Account as prescribed by the IEPF Authority.

   As required under Rule 6 of the IEPF Rules 2016, the Company had sent information to all the shareholders who had not claimed/ encashed dividends in the last seven consecutive years intimating, amongst other things, the requirements of the IEPF Rules, 2016 with regard to transfer of shares and that in the event those shareholders do not claim any unclaimed/unpaid dividends for the past seven years, the Company will be required to transfer the respective shares to the IEPF Suspense Account by the due date prescribed as per the IEPF Rules, 2016 or such other extended date as may be notified. The Company has also simultaneously published notice in the leading newspaper in English and regional language having wide circulation on March 11, 2017 to such shareholders and uploaded on the "Investors Section" of the website of the Company viz. www.srf.com giving details of such shareholders and shares due to transfer.

   Accordingly upon notification of due date for transfer of such shares by MCA, the Company will transfer said shares to the designated DEMAT Account of the Authority.

9. **Voting through electronic Means:** In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

i) The Company has fixed July 28, 2017, as a cut -off date to record the entitlement of the shareholders to cast their vote electronically at the 46th Annual General Meeting (AGM) by electronic means under the Companies Act, 2013 and rules thereunder. Consequently the same cut-off date i.e. July 28, 2017 would record entitlement of the shareholders, who do not cast their vote electronically, to cast their vote at the 46th AGM on August 8, 2017.

ii) The remote e-voting period commences on Saturday, August 5, 2017 (10.00 AM IST) and ends on Monday, August 7, 2017 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 28, 2017, may cast their votes electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.

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

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

v) The Company has appointed M/s Arvind Kohli & Associates, Company Secretaries to act as the Scrutinizer, for conducting the scrutiny of the votes cast in a fair and transparent manner.

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

Procedure for remote e-voting:

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

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

   ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client

ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OTHER INSTRUCTIONS

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact Mr. B. Venkata Kishore (Unit: company name) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040–6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

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

c. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., July 28, 2017, he/she may obtain the User ID and Password in the manner as mentioned below :

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

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

   Example for NSDL:

   MYEPWD <SPACE> IN30039412345678 (DP-ID + CL-ID)

   Example for CDSL:

   MYEPWD <SPACE> 1202300012345678 (16 DIGITS NUMERIC)

   Example for Physical:

   MYEPWD <SPACE> XXXX1234567890 (EVEN NO. + FOLIO NO.)

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

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

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

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

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

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

11. Electronic copy of the Annual Report along with Notice of 46th Annual General Meeting are being sent to all the members holding shares in demat form and whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies are being sent in the permitted mode.

12. The Notice of the 46th Annual General Meeting and the Annual Report for FY 2016-17 will also be available on the Company's website www.srf.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to einward.ris@karvy.com.

13. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the

Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays, up to the date of the Annual General Meeting of the Company.

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

15. Members are requested:

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

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

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

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

    v) that in case they are holding shares in electronic form, to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Karvy.

16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4 and 5:

Board of Directors at their meeting held on February 10, 2017, on the recommendation of the Nomination and Remuneration Committee, co-opted Mr. Pramod Gopaldas Gujarathi as an Additional Director on the Board of Directors of the Company and designated him as Director (Safety & Environment) and Occupier of factories of the Company, w.e.f. April 01, 2017 upon resignation of Mr. Ravichandra Kambhampaty the erstwhile Director (Safety & Environment) on March 31, 2017. The Board of Directors had appointed Mr. Pramod Gopaldas Gujarathi for a period of 3 years with effect from April 1, 2017. Members' approval is sought to the appointment.

In terms of Articles of Association of the Company and section 161 (1) of the Companies Act, 2013 he holds office upto the date of forthcoming Annual General Meeting. The Company has received a notice under Section 160 from a member signifying its 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 his appointment and remuneration including minimum remuneration are set out in the resolution. The information required by the Listing Regulations and Secretarial Standards on General Meetings is given below:

Mr. Gujarathi is B. Tech. (Chemical Engineering) from IIT, Bombay having Post Graduate Diploma in Management Studies with a vast and rich experience of 38 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 appoint him as a Whole-time director designated as Director (Safety and Environment) and Occupier.

Mr. Gujarathi has no shareholding in the Company. He is not a Director in any other Compny and is not a Chairman/member of any Board Committee.

Approval of the members is sought to the appointment of Mr. Pramod Gopaldas Gujarathi 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.

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

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 Resolutions set out at Item No. 4 and 5 of the Notice for approval of the members.

Item No. 6:

By a resolution dated 26.07.2013, the shareholders had re-appointed Mr. Arun Bharat Ram (76) as Chairman with executive powers for a period of five years with effect from June 15, 2013. The existing tenure of Mr. Arun Bharat Ram continues upto June 14, 2018.

At its meeting held on May 22, 2017, the Board of Directors had re-appointed Mr. Arun Bharat Ram as Chairman with executive powers for a further period of 5 years with effect from June 15, 2018. Members' approval is sought to the re-appointment.

The terms of his re-appointment and remuneration including minimum remuneration are set out in the resolution.

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

Mr.. Arun Bharat Ram is B. Sc. in Industrial Engineering from the University of Michigan, USA. He set up SRF in 1971 and it is under the stewardship of Mr. Arun Bharat Ram that the Company has achieved all round growth and made for itself a reputation in the core areas of its business. His vast experience and vision in all the business would help the company to enhance its overall performance.

Mr. Arun Bharat Ram holds 27,500 equity shares in the Company. Mr. Arun Bharat Ram is a member of the Stakeholders Relationship Committee and Committee of Directors- Financial Resources.

Directorships in other Public companies	Committee Membership
JK Paper Limited	- Audit Committee - Stakeholders Relationship Committee - Nomination & Remuneration Committee (Chairman)
SRF Holiday Home Limited	
Shri Educare Limited	
Essilor India Private Limited	

Except Mr. Arun Bharat Ram, Mr. Ashish Bharat Ram and Mr. Kartik Bharat Ram, 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 resolution for approval by the members.

Item No. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditors to conduct audit of the cost records of the Company for the financial year ending March 31, 2018 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. The Board of Directors recommends the resolution for approval by the members.

Item No. 8

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

In order to supplement resources for financing of capital expenditure and for general corporate purposes, 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. To meet the short term funding requirements, the Company may, from time to time, issue commercial paper in accordance with the applicable rules and regulations which would also fall under the definition of debentures as per the Companies Act, 2013.

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

Approval of the Members by way of a special resolution is sought for the resolution as set out at Item No. 8 of this Notice authorising the Board to issue redeemable, non-convertible Debentures by Private Placement for an aggregate amount not exceeding ₹ 2000 crores during the period of one year from the date of this Annual General Meeting.

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

Board of Directors recommends the Special Resolution set out at Item No. 8 of the Notice for approval of the members.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER LISTING REGULATIONS AND SECRETARIAL STANDARDS ON GENERAL MEETINGS ARE GIVEN BELOW:

Appointment of Mr. Pramod Gopaldas Gujarathi as Director (Item No. 4 and 5)

For the details of Mr. Pramod Gopaldas Gujarathi please refer to the above explanatory statement in respect of special business set out at Item No. 4 and 5.

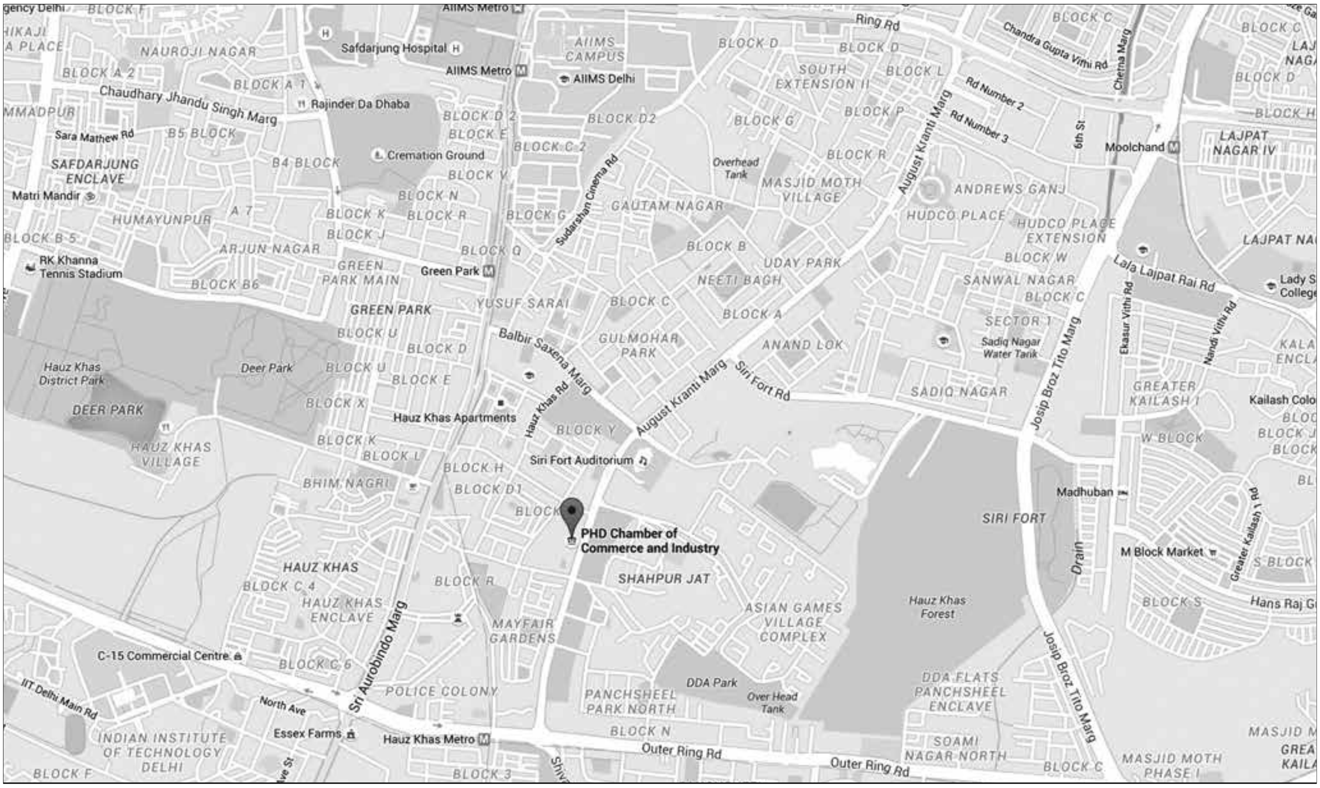
Re-appointment of Mr. Arun Bharat Ram as Chairman (Item No. 6)

For the details of Mr. Arun Bharat Ram please refer to the above explanatory statement in respect of special business set out at Item No. 6.

IMPORTANT COMMUNICATION TO MEMBERS

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

Route map of the venue of 46th Annual General Meeting of SRF Limited to be held on Tuesday, August 8, 2017 at 3.30 p.m. at the Laxmipat Singhania Auditorium, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016



BOARD'S REPORT

Your Directors are pleased to present the 46th Annual Report for the year ended March 31, 2017.

Financial Results

(₹ in crores)

Particulars	2016-17	2015-16
Revenue from operations	4,197.82	3,944.97
Other income	46.11	36.99
Total Income	4,243.93	3,981.96
Profit Before Interest, Depreciation & Tax (PBIDT)	867.58	844.36
Less: Interest & Finance Charge	77.53	95.43
Gross Profit	790.05	748.93
Less: Depreciation and amortisation charge	241.98	233.11
Profit Before Tax (PBT)	**548.07**	**515.82**
Less: Provision For Taxation including Deferred Tax Charge	129.25	143.95
Profit After Taxation (PAT)	**418.82**	**371.87**
Add: Profit Brought Forward	1,941.40	1,690.72
Total	**2,360.22**	**2,062.59**
Appropriation		
Interim dividend on Equity Shares	68.90	57.42
Corporate Tax on Dividend	14.03	11.70
Other comprehensive income arising from remeasurement of defined benefit obligation	0.41	2.07
Amount transferred to Debenture Redemption Reserve	-	50.00
Profit carried to Balance Sheet	**2,276.88**	**1,941.40**

Equity Dividend

During the year, your Company has paid two interim dividends of ₹ 6 per share each aggregating to ₹ 12 per share, amounting to ₹ 82.93 Crores (inclusive of taxes). The Board of Directors of the Company has not recommended any final dividend.

Operations Review

Total revenue from operations of the Company on standalone basis increased by 6.41 per cent from ₹ 3944.97 Crores in 2015-16 to ₹ 4197.82 Crores in 2016-17. Mainly due to increase in revenue from operations, the profit before interest, depreciation and tax (PBIDT) including 'other income' on a standalone basis increased from ₹ 844.36 Crores in 2015-16 to ₹ 867.58 Crores in 2016-17.

Profit before tax (PBT) on a standalone basis increased by 6.25 per cent from ₹ 515.82 crores in 2015-16 to ₹ 548.07 Crores in 2016-17. After accounting for the provision for taxation of ₹ 129.25 crores, profit after tax (PAT) on a standalone basis increased by 12.63 per cent from ₹ 371.87 crores in 2015-16 to ₹ 418.82 crores in 2016-17.

Management Discussion and Analysis

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

Business Responsibility Report

As stipulated under the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective has been prepared for 2016-17 and forms a part of the Board's Report. Howhere, as a green initiative the Business Responsbility Report for 2016-17 has been hosted on the website of the company at http://www.srf.com/investor-relations/investors.html#reports. Any shareholder who wants to obtain a physical copy of the same may send a request to the Company at is registered office.

Subsidiaries, Joint Ventures and Associate companies

During the year 2016-17, SRF Overseas Ltd.(SRFO), a wholly owned subsidiary of the Company, was wound up. It had a nylon tyrecord manufacturing facility in Dubai, UAE which was closed in 2013-14 due to sustained downturn in European markets and high fixed costs.

As on March 31, 2017, your Company had 5 (five) operating wholly owned subsidiary companies whereby 1 (one) wholly owned subsidiary company is registered in India and remaining 4 (four) are registered outside India. 2 (two) of these are direct wholly owned subsidiaries and rest 3 (three) are step-down wholly owned subsidiaries. The consolidated profit and loss account for the period ended March 31, 2017 includes the profit and loss account for these 5 (five) wholly owned subsidiaries for the complete Financial Year ended March 31, 2017 and for a part of the year for SRFO which was wound up during the year.

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 3 (three) step-down subsidiaries of the Company.

2. SRF Industries (Thaland) Ltd.(a step down wholly owned subsidiary of SRF Global BV) is incorporated in Thailand engaged in the manufacture and distribution of nylon tyre cord and packaging films.

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

5. SRF Holiday Home Ltd. is a wholly owned subsidiary of the Company incorporated in India. This company is engaged in the business of acquisition and renting of real estate properties.

   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 other subsidiaries were divested and no new subsidiaries were incorporated. 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. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: http://www.srf.com/pdf/2014%20(10)%2028%20-%20Policy%20on%20material%20subsidiary%20companies%20-%20v2%20-%20Oct14.pdf.

The Company shall make available the annual accounts of the subsidiary companies to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and 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

Your Directors are seeking re-appointment of Mr. Arun Bharat Ram as Chairman with executive powers for a fresh term of 5 years effective from June 15, 2018.

Being a Director lible to retire by rotation, Mr. Arun Bharat Ram is also retiring at the forthcoming annual general meeting and being eligible offers himself for re-election.

Mr. Arun Bharat Ram, Chairman is a relative of Mr. Ashish Bharat Ram, Managing Director and Mr. Kartik Bharat Ram, Deputy Managing Director. He is not related to any other Director or Key Managerial Personnel of the Company.

Mr. Ravichandra Kambhampaty, Director (Safety & Environment) & Occupier had resigned due to his advanced age and was relieved from the services of the Company on March 31, 2017. Mr. Pramod Gopaldas Gujarathi was appointed as an additional director upto the forthcoming annual general meeting and was appointed as Director (Safety & Environment) & Occupier with effect from April 1, 2017 for a term of three years.

Your Directors recommend appointment of Mr. Pramod Gopaldas Gujarathi as a regular Director and for his appointment as Director (Safety & Environment) & Occupier for a term of 3 years with effect from April 1, 2017.

Mr. Pramod Gopaldas Gujarathi is not related to any Director or Key Managerial Personnel of the Company.

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

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link http://www.srf.com/pdf/Familiarization2015.pdf

Meetings of the Board

During the year 2016-17, five meetings of the Board of Directors were held. For further details, please refer to report on Corporate Governance on page no. 57 of this Annual Report.

Directors' Responsibility Statement

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

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

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

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

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

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

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

Contracts and Arrangements with Related Parties

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

Your Directors draw attention of the members to Note 33 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 40(d) of Additional Disclosures forming part of the standalone financial statement).

Corporate Social Responsibility (CSR)

As per the requirements of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility Committee comprising of Dr. Meenakshi Gopinath, Director (CSR) (Chairperson of the Committee), Mr. Kartik Bharat Ram, Deputy Managing Director and Mr. Lakshman Lakshminarayan, 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: http://www.srf.com/pdf/2015%20(05)%2011%20-%20SRF%20-%20CSR%20Policy%20-%20Board%20approved.pdf

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

During the year, the Company has spent ₹ 7.60 Crores on CSR activities. The amount of CSR obligation under the Companies Act, 2013 was ₹ 7.58 Crores. Annual Report on CSR activities is annexed herewith as Annexure II.

Risk Management

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

The risks identified by the Company broadly fall into the following categories viz. strategic risks, operational risks, regulatory risks, financial and accounting risks, foreign currency and other treasury related risks and information systems risks. The risk management process consists of risk identification, risk assessment, risk prioritization, risk treatment or mitigation, risk monitoring and documenting the new risks.

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

Internal Financial Controls

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

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

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

Significant features of these control systems include:

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

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

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

Listing of Equity Shares

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

Dividend Distribution Policy

In compliance with the Listing Regulations, your Board had formulated a Dividend Distribution Policy. A copy of the said policy is available on the website of the Company at http://www.srf.com/pdf/Dividend%20Distribution%20Policy%2011.11.16.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 III.

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

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

Consolidated Financial Statement

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

Audit Committee

The Audit Committee comprises of Independent Directors namely Mr. Vinayak Chatterjee (Chairman of the Committee), Mr. Lakshman Lakshminarayan and Mr. Vellayan Subbiah as other members. All the recommendations made by the Audit Committee were accepted by the Board.

Accounts and Audit

As per the requirements of the Companies Act, 2013, the Statutory Auditors M/s. Deloitte Haskins & Sells, were appointed to hold office until the conclusion of 47th annual general meeting. Their appointment as per the provisions of the Companies Act, 2013 was subject to ratification by the members at every annual general meeting. They have submitted their certificate to the effect that they fulfill 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.

Vigil Mechanism

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

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

Cost Audit

Pursuant to the 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.

Mr. Harkesh Tara, Cost Accountant, was appointed to conduct cost audit of the accounts maintained by the Company for the financial year 2017-18 in respect of all the relevant product groups of Technical Textiles Business and Engineering Plastics Business of the Company.

M/s. Sanjay Gupta & Associates, Cost Accountants, was appointed to conduct cost audit of the accounts maintained by the Company for the financial year 2017-18 in respect of all the relevant product groups of Chemicals Business and Packaging Films Business of the Company.

Mr. Harkesh Tara, Cost Accountant, was nominated as the Company's Lead Cost Auditor.

The remuneration of the cost auditors for financial year 2017-18 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 2015-16, conducted by Mr. Harkesh Tara, Cost Accountant (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 30, 2016. The due date for filing was 7th September, 2016.

Secretarial Auditor

The Board has appointed M/s Sanjay Grover & Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith as Annexure IV to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Personnel

In terms of the provisions of Section 197(12) of the Companies Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in Annexure V.

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.

Extract of Annual Return

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

Industrial Relations

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

General

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

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

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). During the year, no complaints with allegations of sexual harassment were filed with the Company.

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

Date: May 22, 2017
Place: Gurgaon

Arun Bharat Ram
Chairman
(DIN-00694766)

Annexure I to Board's Report

NOMINATION, APPOINTMENT AND REMUNERATION POLICY

A. Introduction

This Policy on Nomination, Appointment and Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel, Functional Heads and Other Employees has been formulated 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 except Key Managerial Personnel.
Functional Heads	Chief Information Officer and Head- Corporate Communications.
Other Employees	Employees other than Key Managerial Personnel, Senior Management Personnel and Functional Heads.

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

C. Terms of Reference

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

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

D. Criteria for recommending a person to become Director

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

1. Qualification & Experience

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

2. Attributes/Qualities

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

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

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

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

E. Directors' Remuneration

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

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

F. Evaluation

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

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). 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 deciding whether to extend or continue the term of appointment of independent directors. Based upon the recommendations of the NRC, the Board of Directors shall decide to continue their appointment or consider them for reappointment.

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

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

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

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

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

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

G. Board Diversity

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

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

The eligibility criteria for appointment of Key Managerial Personnel, Senior Management Personnel, Functional Heads 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, Senior Management Personnel, Functional Heads

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

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, Functional Heads and Other Employees may also be provided any facility, perquisites, commission, accommodation, interest free loans or loans at concessional rate in accordance with the policies framed for them or any category thereof.

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

Annexure - I

Performance Evaluation of Executive Directors

Name of Director :

Type of Directorship : Executive Director

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

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

Name of Director : ....

Signature : ....

Date & Place : ....

Annexure - II

Performance Evaluation of Independent Directors / Non-Executive Directors

Name of Director :

Type of Directorship : Independent Director / Non-Executive Director

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

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

Name of Director : ....

Signature : ....

Date & Place : ....

Annexure - III

CRITERIA FOR EVALUATION OF THE BOARD OF DIRECTORS

A:

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

B:

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

ANNUAL REPORT ON CSR FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

As per the requirement of Section 135 of the Companies Act, 2013, the Company had laid down a CSR Policy under which the Company had identified projects as per the Schedule VII of the Act in the following areas for the year 2016-17:-

- **Promotion of Education:** Improving Quality of Education and Developing School infrastructure of Govt. Schools.
- **Employment enhancing vocational skills:** Focusing on imparting appropriate skills as per the market and industry needs and providing a platform to the youth trained to be gainfully self-employed or linking them with potential employers to increase their employability and livelihood;
- **Ensuring Environment Sustainability:** Conversion of barren undulated lands into cultivable lands, promoting alternative plantation, building check dams, rainwater harvesting and water conservation to prevent depletion of underground and surface water sources; and
- **Rural Development**

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

The Composition of the CSR Committee

Dr. Meenakshi Gopinath, (Chairperson)

Mr. Kartik Bharat Ram, (Member)

Mr. Lakshman Lakshminarayan, (Member)

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

Net profit for the year :-

- 2015 – 16: ₹ 490.99 Cr
- 2014 – 15: ₹ 373.55 Cr.
- 2013 – 14: ₹ 272.22 Cr.

Average Net Profit: ₹ 378.92 Cr.

2% of Avg. Net Profit: ₹ 7.58 Cr.

3) Prescribed CSR Expenditure – ₹ 7.58 Cr.

4) Details of CSR Spent during the financial year

a. Total Amount to be spent for the financial year – ₹ 7.60 Cr.

b. Amount unspent, if any – Nil

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

(₹ in crores)

S. No.	CSR Project or activity identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or Programs 1. Local area or other 2. Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs / project Sub- heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
1.	School Education	Cl. (ii) Promoting Education	Local Area Mewat (Haryana); Kashipur, (Uttrakhand); Dhar, Gwalior, Bhind (Madhya Pradesh); Bhiwadi (Rajasthan); Bharuch (Gujarat); Pudukottai, Chennai and Thiruvallur (Tamil Nadu)	2.42	2.47	2.47	Implementation Agency – SRF Foundation
2.	School Education	Cl. (i) Promoting Education (Mid-Day-Meal)	Bharuch (Gujarat)	4.40	4.40	4.40	Implementing Agency – SRF Foundation in association with Akshaya Patra Foundation
3	Vocational Skills	Cl. (ii) Employment Enhancing Vocational Skills	Local Area Mewat (Haryana), Manali, Pudukottai (Tamil Nadu)	0.20	0.19	0.19	Implementing Agency – SRF Foundation
4.	Natural Resource Management	Cl. (iv) Ensuring Environmental Sustainability	Local Area Bhiwadi (Rajasthan)	0.40	0.36	0.36	Implementation Agency – SRF Foundation
5	Rural Development	Cl. (x) Rural Development	Local Area (Bhiwadi (Rajasthan) and Dahej (Gujarat)	0.08	0.08	0.08	Implementing Agency – SRF Foundation
6	CSR Capacity Building & Overheads			0.10	0.10	0.10	
	Total			7.60	7.60	7.60	

Details of Implementing Agency:

SRF Foundation
Year of Establishment – 1982
Founder – SRF Ltd.
Director – Dr. Y. Suresh Reddy

5) Reason for not spending the two percent of the average net profit of the last three financial years or any part thereof
Not applicable

RESPONSIBILITY STATEMENT

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

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

Sd/-
Ashish Bharat Ram
Managing Director

Sd/-
Dr. Meenakshi Gopinath
Director (CSR)

Date: May 22, 2017
Place: Gurgaon

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of SRF Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated October 14, 2016.

2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of SRF Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which 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. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.

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.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
(Partner)
(Membership No. 094468)

GURGAON, MAY 22, 2017

Annexure IV to the Board's Report

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,
The Members
SRF Limited
(L18101DL1970PLC005197)
C-8, Safdarjung Development Area,
New Delhi-110016.

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

We report that-

a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
c) We have not verified the correctness and appropriateness of the financial statements of the Company.
d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 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;

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

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

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

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

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

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

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

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

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

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

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

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

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

(vi) The Company is engaged in manufacturing of –

- Chemicals and Polymers plants located at Alwar, Rajasthan; Udham Singh Nagar, Uttarakhand and Bharuch, Gujarat, Manali, Tamil Nadu;
- Technical Textiles plants at Chennai, Tamil Nadu; Bhind, Madhya Pradesh; Thiruvallur, Tamil Nadu; Pudukottai, Tamil Nadu and Udham Singh Nagar, Uttarakhand;
- Packaging Films plants at Udham Singh Nagar, Uttarakhand and Indore, Madhya Pradesh;

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

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

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

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

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

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

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

We further report that during the audit period, members of the Company in their Annual General Meeting held on 8 August 2016 approved the issue of redeemable secured/unsecured non- convertible debentures on private placement basis upto the amount of ₹ 2,000,00,00,000/- (Two Thousand Crores Only).

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

Sanjay Grover
Managing Partner
CP. No. 3850

New Delhi
May 22, 2017

Annexure V to the Board's Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S. No.	Name	Age	Designation	Remu. (₹ In Crores)	Qualification	Exp. (In Years)	DOJ - SRF Ltd	Last Employment
1	Arun Bharat Ram	76	Chairman	4.84	B.Sc (Indl Engg)	50	1-Apr-71	DCM Ltd
2	Ashish Bharat Ram	48	Managing Director	4.77	MBA	25	2-Sep-02	SRF Overseas Ltd
3	Kartik Bharat Ram	45	Deputy Managing Director	4.73	MBA	22	5-Jul-93	NA
4	Rajdeep Anand	65	President – Chemicals Technology Group	2.61	B.Tech	45	29-Mar-93	Chem Aides
5	Sushil Kapoor	57	President & CEO (TTB)	2.58	B.Tech	34	1-Jul-82	NA
6	Anurag Jain	45	President & CEO (SCB)	1.95	B. Tech & EPBM/ MBA	24	16-Sep-94	NA
7	Prashant Mehra	45	President & CEO (PFB)	1.95	B.E. & MBA	21	7-Mar-96	NA

S. No.	Name	Age	Designation	Remu. (₹ In Crores)	Qualification	Exp. (In Years)	DOJ - SRF Ltd	Last Employment
8	Prashant Yadav	47	President & CEO (EP & FCB)	1.91	PGCBM/MBA & B.Tech	25	21-Mar-94	Synthetics & Chemicals Ltd.
9	Anoop K. Joshi	57	President, CFO & Company Secretary	1.70	FCA, FCS	33	10-Feb-86	Dass Gupta & Co.
10	Sanjay Chatrath	53	President and CEO (TCF)	1.22	B.Tech	31	7-Jun-85	NA
11	Ajay Chowdhury	50	President & CHRO	1.15	PGDM / MBA	30	8-Feb-10	Benifys HR Solutions

Notes: 1. Remuneration comprises salary, bonus, allowances, perquisites, retention pay, commission paid and Company's contribution to Provident Fund, Superannuation Fund, NPS and gratuity 2. All appointments are contractual in nature 3. There are no employees in the services of the Company within the category covered by Section 197(12) read with rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 4. None of the above employees, other than Mr. Arun Bharat Ram, Mr. Ashish Bharat Ram and Mr. Kartik Bharat Ram, is a relative of any Director of the Company.

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 and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2016-17 (₹/Crore)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Arun Bharat Ram Chairman	4.84	5.1%	149.80	Profit after tax increased by 12.63% in the financial year 2016-17.
2.	Ashish Bharat Ram Managing Director	4.77	16.3%	146.80	
3.	Kartik Bharat Ram Deputy Managing Director	4.73	22.0%	128.80	
4.	Ravichandra Kambhampaty Director (Safety & Environment)	0.17	70.7%*	5.23	
5.	Dr. Meenakshi Gopinath Director (CSR)	0.15	(6.7%)	4.30	
6.	Vinayak Chatterjee Non-Executive Director	0.13	8.3%	4.00	
7.	Tejpreet S Chopra Non-Executive Director	0.12	9.1%	3.70	
8.	Lakshman Lakshminarayan Non-Executive Director	0.10	(9.1%)	3.10	
9.	Vellayan Subbiah Non-Executive Director	0.12	9.1%	3.70	
10.	Pramod Bhasin Non-Executive Director	0.10	11.1%	3.10	

S. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2016-17 (₹/Crore)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
11.	Sushil Kapoor President & CEO (Technical Textiles Business)	2.58	10.7%	Not Applicable	Profit after tax increased by 12.63% in the financial year 2016-17.
12.	Prashant Mehra President & CEO (Packaging Films Business)	1.95	26.7%	Not Applicable	
13.	Prashant Yadav President & CEO (Fluorochemicals and Engineering Plastics Business)	1.91	26.7%	Not Applicable	
14.	Anurag Jain President & CEO (Speciality Chemicals Business)	1.95	26.7%	Not Applicable	
15.	Anoop Joshi President, CFO & Company Secretary	1.70	25.0%	Not Applicable	

*Mr. Ravichandra Kambhampaty, Director (Safety & Environment) resigned from the services of the Company on March 31, 2017. His remuneration includes retirals.

(ii) The median remuneration of employees of the Company as on March 31, 2017 was ₹ 0.032 Crores as compared to ₹ 0.030 Crores as on March 31, 2016. The increase in median remuneration was 7% as compared to 2015-16.

(iii) There were 5484 permanent employees on the rolls of the Company as on March 31, 2017.

(iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 and its comparison with the percentile increase in the managerial remuneration and justification there of and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Category	Average Increase
Employees' remuneration (other than Directors)	7%
Managerial remuneration (Directors)	8.00%

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. There were no exceptional circumstances in the increases in the managerial remuneration.

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

A. Conservation of Energy

(i) Steps taken or impact on conservation of energy

a) Technical Textiles Business, Kashipur

- Saved 80.44 Tons of FO / annum by redesigning modulation system of thermic fluid heating system, thereby replacing mechanical damper with VFD based combustion air control system to ensure complete combustion (monitored by O2 analyzer).
- Saved 40125 Kwh / annum by arresting pneumatic circuit leakages.
- Saved 22176 Kwh / annum by replacing pressurized domestic water system with potential based overhead water distribution system.
- Saved 12960 Kwh / annum by replacing balance conventional lighting sources with LED based tubes & lamps.

b) Technical Textiles Business, Manali

- DT heater plate power optimization based on the daily production plan – energy saving- 155520 KWH / annum amounting to ₹ 0.09 crores
- Air leak audit in DT & spinning and optimization air consumption - energy saving- 121733 KWH / annum amounting to ₹ 0.069 crores.
- Steam heater for HT water pre heating (for reducing auxiliary power consumption) in CPP - energy saving- 427800 KWH / annum amounting to ₹ 0.24 crores
- Installation of LED street lights (46 nos) and MTP: 2 (227Nos) - energy saving- 51754 KWH / annum amounting to ₹ 0.03 crores
- Air compressor power consumption reduction by installing high efficient compressor - energy saving- 406578 KWH / annum amounting to ₹ 0.23 crores
- Reduction of loom air consumption by reducing leaks & providing small cleaning air compressor - energy saving- 398472 KWH / annum amounting to ₹ 0.23 crores.

c) Technical Textiles Business, Viralimalai

- Installation of LED tube light working energy saving- 51754 KWH / annum and ₹ 0.02 crores
- Warp twister working energy efficient motors. Saving of ₹ 0 .001 crores
- Reduction of energy consumption in Dornier looms- Saving ₹ 0.02 crores

d) Technical Textiles Business, Gwalior

- Coal boiler efficiency improved (coal consumption / kg of steam generation was reduced from 0.209 to 0.202 kg / kg steam) which resulted in coal saving 573 MT/annum
- Saving of 18,00,000 Kwh / annum by replacement of SADC twister to new energy efficient cable corder reducing Direct Power consumption
- Saving of 10,23,000 Kwh / annum by reduction of heat load in textile plant through new generation cable corder by which Air conditioning system could be optimized
- Saving of 45,000 Kwh / annum through reduction of Nitrogen consumption by modification in agitator gland system in polymerization
- Saving of 44,000 Kwh / annum through replacement of existing HPSV lights with LED lights.
- Saving of Rs 0.79 crores / annum through power trading from IEX
- Saving of Rs 0.62 crores / annum through captive power purchase

e) **Technical Textiles Business, Gummidipoondi**

- Saving of 113567 Kwh / annum of power through optimization of LT air compressors operation resulting in saving of ₹ 0.068 crores
- Saving of 183494 Kwh / annum of power through optimization of chiller operation resulting in saving of ₹ 0.11 crores
- Saving of 72064 Kwh / annum by reducing speed & stopping PIY AHU fans resulting in saving of ₹ 0.043 crores
- Saving of 230320 Kwh / annum by reducing speed & stopping twisting AHU fans resulting in saving of ₹ 0.138 crores
- Saving of ₹ 0.020 crores by utilizing the furnace oil sludge in boiler
- Saving of ₹ 1.232 crores by operating the DG sets for power generation by use of furnace oil during the period of drop in the price of furnace oil
- Saving of 128051Kwh / annum from implementation of LED lights resulting in saving of ₹ 0.0768 crores
- Saving of 38650Kwh / annum from installing of energy efficient cooling water pump resulting in saving of ₹ 0.0232 crores
- Saving of 12520Kwh / annum from installing VFD for Office AHU resulting in saving of ₹ 0.0075 crores
- Saving of 15768Kwh / annum from installing VFD for Office AHU resulting in saving of ₹ 0.0095 crores
- Resulting in saving of ₹ 0.0435 crores by VFD for 90kW motor of cooling water pump
- Saving of ₹ 0.0142 crores by Automatic sliding door for PIY corridor near maintenance room

f) **Packaging Films Business, Indore**

- Saved 1180000 KWH by installing of close Loop cooling towers for Metallizer-1 & Metallizer-2
- Saved 257950 KWH / annum by installing LED lights in place of conventional / CFL lights
- Saved 373800 KWH / annum by installation of variable frequency drives (VFD) for all air handling unit (AHUs)
- Saved 480000 KWH / annum by shifting chill rolls of both Lines on close loop cooling towers

g) **Packaging Films Business, Kashipur**

- Saved 191912 KWH in utility by installing of new energy efficient air handling units.
- Saved 90000 KWH by installing of close cooling tower in chill roll circuit of main plant
- Saved 12000 KWH by replacement of florescent lights by LED lights

h) **CB Bhiwadi**

- Saving of 2, 20,000 Kwh of electricity by installation of Variable frequency drives
- Saving of 44625 Kwh of electricity by installation of screw compressor in RGHF utilities
- Saving of 37500 Kwh of electricity by replacement of an external centrifugal pump with submersible pump and pulley size modification in dust collector-Power plant
- Saving of 597 MT steam by condensate recovery and reducing steam consumption of deareator in Power plant
- Coal saving by installation of LP heater for second extraction in turbine
- Saving of 26000 Kwh of electricity/annum by replacement of conventional lights with LEDs
- Saving of 60.20 MT steam & 8921 Kwh of electricity by equipment-location optimization in P9 distillation section
- Saving of 1,50,682 Kwh of electricity by installation of screw compressor in SCB

(i) CB Dahej

- Replacement of conventional lighting with energy efficient LED lighting – 1.14 lakh KWH / year
- Installation of lighting transformer – 0.36 Lakh KWH / year
- Modification in chilled water pumping system causing one pump and one chiller stoppage without affecting actual requirement of TR resulted into saving of 973511 KWh / annum
- Revamp of chilled water pumping system causing one pump and one chiller stoppage without affecting actual requirement of TR resulted into saving of 888979 KWh / annum
- Segregation of pumping network for P3 cooling water by installing one small pump and stopped one bigger pump resulted saving of 298283 Kwh / annum
- Provision of bypass pipeline to the main pumping station of incoming raw water line to site resulted in saving of 49371 Kwh / annum
- Saving of 78894 Kwh / annum by retrofitting of LED Lights in place of conventional lights
- Saving of 69493 Kwh / annum by segregating lighting circuits depending on utilization
- Ensuring switching off the unutilized UPS which resulted in energy saving of 48881Kwh / hr
- Saving of 89069 Kwh / annum by changing tap position of lighting transformer
- Modification done by replacing VFD with conventional starter where speed control is not desired which resulted into 13333 Kwh / annum

(ii) The steps taken by the company for utilizing alternate sources of energy

a) Technical Textiles Business, Gwalior

- Saving of Rs 0.43 crores /annum by utilizing hydro power
- During 16-17 bio gas plant (with coated fabric dome) has been installed for recycling of canteen waste to generate methane gas. Installed capacity of this plant is to generate 1000 M3 / annum methane gas which is utilized in canteen kitchen for cooking purpose

b) Technical Textiles Business, Gummidipoondi

- In 2016-17 we have entered into GCP agreement with a thermal power producer using coal at cheaper cost which resulted in savings of Rs 2.63 crores

(iii) The capital investment on energy conservation equipment

a) Technical Textiles Business, Manali

Description of Asset	Amount (₹ Cr.)
Steam heater for HT water pre heating (for reducing pre auxiliary power consumption) in CPP	0.17
Total	**0.17**

b) Technical Textiles Business, Gwalior

Description of Asset	Amount (₹ Cr.)
Bio Gas Plant	0.03
Total	**0.03**

c) **Technical Textiles Business, Gummidipoondi**

Description of Asset	Amount (₹ Cr.)
Installation of VFD in Twisting AHU & Takeup AHU fans	0.03
Installation of VFD in 90kW Cooling water pump	0.04
Installation of auto doors	0.01
Total	**0.08**

d) **Packaging Films Business (Indore)**

Description of Asset	Amount (₹ Cr.)
Close loop cooling towers for metallizers	0.89
Replacement of conventional light with LED lights	0.32
Installation of VFD for all AHUs	0.22
Total	**1.43**

e) **Packaging Films Business (Kashipur)**

Description of Asset	Amount (₹ Cr.)
Installation of new energy efficient AHUs	0.28
Installation of close cooling tower	0.42
Total	**0.70**

f) **CB Bhiwadi**

Description of Asset	Amount (₹ Cr.)
Installation of Variable frequency drives in FCB	0.16
Installation of screw compressor in RGHF utilities	0.24
Installation of LP heater for second extraction in turbine	0.37
Replacement of conventional lights with LEDs	0.08
Installation of screw compressor in SCB	0.16
Total	**1.01**

g) **CB, Dahej**

Description of Asset	Amount (₹ Cr.)
Lighting transformer and LED light fixtures	0.37
Total	**0.37**

(B) Technology Absorption

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

Specialty Chemicals Business

The Specialty Chemicals Business has focused on technology in 3 key domains during the year: production technologies, process technologies, and information technologies (specifically in the context of enabling production processes).

The Business actively works with industry consultants, interacts closely with customers and suppliers, and attends relevant industry fairs and symposia to maintain a high connect with the external environment and learn about new technologies that are finding applications in the domain of specialty chemicals. Some of the areas where technology has been absorbed in this period are:

- Reducing changeover time between campaigns through improved ways of setting up and configuring flexible production assets;

- Improved systems to track and manage the product lifecycle, capturing information generated by various parts of the Business in one location and making it available on need-to-know basis;
- Improved systems to secure the intellectual property of the Business, both in terms of preventing leakage and in terms of protecting from accidents and loss;
- Improved systems to visualize, manage and execute projects in best-in-class timelines.

The benefits of the technologies absorbed will start reflecting over the course of the next years, as production assets and processes implementing the new technologies are commissioned in the production environment.

Technical Textiles Business

The R&D centre of Technical Textiles Business is located at Manali, Chennai. Equipped with state-of-the-art Pilot facilities and sophisticated testing laboratories for evaluating Polymers, Fibers and Coated fabrics, R&D centre aims at maximizing competitiveness of Technical Textiles Business through market oriented new product/ technology development.

Many products have been developed by the R&D centre last year, out of which 4 Coated fabric variants have been commercialized along with 1 new Nylon-6 Polymer variant for Engineering Plastics application and a Polyester fabric for Tyre cords.

Apart from this, the R&D centre is also engaged with leading Academic and Research Institutes in India and abroad for various research projects.

Engineering Plastics Business

As the automotive market moves from Bharat Stage IV to Bharat Stage VI emission norms, there is significant potential for engineering plastics to provide light weight solutions to reduce the total vehicular emission. In view of such requirements, significant investment has been made to enhance the analytical and testing capability of the Research and Development team of the Engineering Plastics Business. During the year, numerous products have been introduced for automotive and electrical segments and some of the products have been approved for global supplies. The team continues to develop customized products to meet current and future needs of the local and global market.

(ii) the expenditure incurred on Research and Development

₹ in Crores

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Capital Expenditure	65.27	22.30
Revenue Expenditure	71.92	56.60
	137.19	**78.90**

(C) Foreign exchange earnings and Outgo

₹ in Crores

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
Foreign Exchange Earnings	1296.97	1197.97
Foreign Exchange Outgo	1770.41	1047.70
Net Foreign Exchange Earnings	(473.44)	150.27

Annexure IX to the Board's Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I.	**Registration and other Details**	
i)	CIN	L18101DL1970PLC005197
ii)	Registration Date	9th January, 1970
iii)	Name of the Company	SRF Limited
iv)	Category/Sub-Category of the Company	Public Company/Limited by shares
v)	Address of the Registered Office and contact details	C-8, Commercial Complex, Safdarjung Development Area, New Delhi – 110 016 Tel : +91 11 26857141 Fax : +91 11 26510428
vi)	Whether listed company	Yes
vii)	Name,Address and Contact details of Registrar and Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower-B Plot No. 31 & 32, Financial District, Gachibowli Nanakramguda, Serilingampally, Hyderabad 500 032 Tel No.: +91 040 6716 2222 Toll Free: 1800-345-4001 Fax No.: +91 2300 1153 E-mail: einward.ris@karvy.com
II.	**PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**	
	All the business activities contributing 10% or more of the total turnover of the Company	As per Attachment A
III.	**PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**	As per Attachment B
IV.	**SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**	
i)	Category-wise Share Holding	As per Attachment C
ii)	Shareholding of Promoters	As per Attachment D
iii)	Change in Promoter's Shareholding	As per Attachment E
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment F
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment G
V.	**INDEBTEDNESS**	
	Indebtedness of the Company including interest outstanding / accrued but not due for payment	As per Attachment H
VI.	**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**	
i)	Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment I
ii)	Remuneration to other Directors	As per Attachment J
iii)	Remuneration to Key Managerial Personnel other than MD/ Manager/WTD	As per Attachment K
VII.	**PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**	As per Attachment L

ATTACHMENT A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products /services	NIC Code of the product/ service *	% to total turnover of the Company
1.	Technical Textiles	139	40.87%
2.	Chemicals and Polymers Business	201,210	40.98%
3.	Packaging Films	222	18.15%

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

ATTACHMENT B

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. N.	Name of Company	Address of Company	CIN/GLN	Holding /Subsidiary /Associate	% of shares held	Applicable Section
1.	KAMA Holdings Ltd.	C-8, Commercial Complex, Safdarjung Development Area, New Delhi – 110 016	L92199DL2000PLC104779	Holding	52.33	2(46)
2.	SRF Global B.V.	Schiphol Boulevard 231, B Tower 5th Floor, 1118BH, Schiphol, The Netherlands	N.A.	Subsidiary	100.00	2(87)(ii)
3.	SRF Industries (Thailand) Ltd.	3, Map to Phut Industrial Estate, I -1 Road, Amphur Muang, P.O. Box – 61, Rayong Province, Thailand	N.A.	Subsidiary	100.00	2(87)(ii)
4.	SRF Flexipak (South Africa) (Pty) Ltd.	5, Eddie Hagan Drive, Cato Ridge, KwaZulu-Natal, South Africa	N.A.	Subsidiary	100.00	2(87)(ii)
5.	SRF Industex Belting (Pty) Ltd.	PO Box 4038, Korsten, Port Eilzabeth-6014, Republic Of South Africa	N.A.	Subsidiary	100.00	2(87)(ii)
6.	SRF Holiday Home Ltd.	C-8, Commercial Complex, Safdarjung Development Area, New Delhi – 110 016	U45200DL2006PLC156147	Subsidiary	100.00	2(87)(ii)
7.	Malanpur Captive Power Ltd.	Thapar House, 124, Janpath, New Delhi – 110 001	U74909DL2005PLC131985	Associate	22.60	2(6)
8.	Vaayu Renewable Energy (Tapti) Private Limited	Harekrishna Presidency Society, North South Road No. 8, Vile Parle (West), Mumbai- 400 053	U40300MH2011PTC219995	Associate	26.32	2(6)

ATTACHMENT C

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i. Category-wise Share Holding

CATE-GORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2016				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**	**(IX)**	**(X)**	**(XI)**
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	INDIAN									
(a)	Individual /HUF	0	0	0	0.00	27500	0	27500	0.05	-0.05
(b)	Central Govt / State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	30076500	0	30076500	52.38	30049000	0	30049000	52.33	0.05
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1)	**30076500**	**0**	**30076500**	**52.38**	**30076500**	**0**	**30076500**	**52.38**	**0.00**
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total A=A(1)+A(2)	**30076500**	**0**	**30076500**	**52.38**	**30076500**	**0**	**30076500**	**52.38**	**0.00**
(B)	**PUBLIC SHAREHOLDING**									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	6408494	4403	6412897	11.17	5635673	4403	5640076	9.82	1.35
(b)	Financial Institutions / Banks	30715	6126	36841	0.06	91878	6126	98004	0.17	-0.11
(c)	Central Govt / State Gov(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0		0	0.00	0.00
(e)	Insurance Companies	464710	200	464910	0.81	434710	200	434910	0.76	0.05
(f)	Foreign Institutional Investors	9278800	0	9278800	16.16	10404923	0	10404923	18.12	-1.96
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	27	0	27	0.00	0.00
	Sub-Total B(1)	**16182719**	**10729**	**16193448**	**28.20**	**16567184**	**10729**	**16577913**	**28.87**	**-0.67**

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2016				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	1973327	31184	2004511	3.49	1676485	31084	1707569	2.97	0.52
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	6082333	1653019	7735352	13.47	5953873	1572927	7526800	13.11	0.36
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	821665	0	821665	1.43	759941	0	759941	1.32	0.11
(c)	Others									
	Clearing Members	44337	0	44337	0.08	137197	0	137197	0.24	0.05
	Non Resident Indians	356961	8972	365933	0.64	433110	8818	441928	0.77	-0.13
	NRI Non-Repatriation	0	0	0	0.00	136893	0	136893	0.24	-0.24
	Overseas Corporate Bodies	0	50	50	0.00	0	50	50	0.00	0.00
	Trusts	1748	0	1748	0.00	2498	0	2498	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2)	**9457327**	**1693225**	**11150552**	**19.42**	**9153208**	**1612879**	**10766087**	**18.75**	**0.67**
	Total B=B(1)+B(2):	**25640046**	**1703954**	**27344000**	**47.62**	**25720392**	**1623608**	**27344000**	**47.62**	**0.00**
	Total (A+B):	**55716546**	**1703954**	**57420500**	**100.00**	**55796892**	**1623608**	**57420500**	**100.00**	**0.00**
(C)	**SHARES HELD BY CUSTODIAN FOR GDRs & ADRs**									
	Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0.00	0.00	0.00
	GRAND TOTAL (A+B+C)	**55716546**	**1703954**	**57420500**	**100.00**	**55796892**	**1623608**	**57420500**	**100.00**	**0.00**

ATTACHMENT D

ii. Shareholding of Promoters

S No	Shareholder's Name	Shareholding at the beginning of the year (01/04/2016)			Shareholding at the end of the year (31/03/2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the co.	%of Shares Pledged / encumbered to total shares	% of total Shares of the co.	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year	
1.	KAMA Holdings Limited	3,00,49,000	52.33	0.00	3,00,49,000	52.33	0.00	0.00
2.	Karmav Real Estate Holdings LLP	27,500	0.05	0.00	0	0	0.00	(0.05)
3.	Mr. Arun Bharat Ram	-	-	0.00	27,500	0.05	0.00	0.05
	Total	**3,00,76,500**	**52.38**	**0.00**	**3,00,76,500**	**52.38**	**0.00**	**0.00**

ATTACHMENT E

iii. Change in Promoters' Shareholding

S No	Shareholder's Name	Shareholding					Cumulative Holding during the year (01/04/2016 to 31/03/2017)	
		No. of Shares at the beginning (01/04/2016) / end of the year (31/03/2017)	% of total Shares of the company	Date	Increase/ Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the company
1	KAMA Holdings Limited	3,00,49,000	52.33	01-Apr-16				52.32
		3,00,49,000	52.33	31-Mar-17			3,00,49,000	52.33
2	Karmav Real Estate Holdings LLP	27,500	0.05	01-Apr-16				
				24-May-16	(27,500)	Sale in open Market	0	0.00
		-	-	31-Mar-17			27,500	0.05
3	Arun Bharat Ram	0	0.00	01-Apr-16			0	0.00
				24-May-16	27,500	Purchase in open Market	27,500	0.05
		27,500	0.05	31-Mar-17			27,500	0.05

ATTACHMENT F

iv. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

S No	Shareholder's Name	Shareholding		Increase/ Decrease in Shareholding			Reason	Cumulative Holding during the year (01/04/2016 to 31/03/2017)	
		No. of Shares at the beginning (01/04/2016) / end of the year (31/03/2017)	% of total Shares of the company	Date	Buying	Selling		No. of Shares	% of total Shares of the company
1	AMANSA HOLDINGS PRIVATE LIMITED	3,183,780	5.54	13/05/2016	9,443	-	Transfer	3,193,223	5.56
				19/08/2016	50,000	-	Transfer	3,243,223	5.65
				18/11/2016	98,082	-	Transfer	3,341,305	5.82
				2/12/2016	150,000	-	Transfer	3,491,305	6.08
				16/12/2016	235,859	-	Transfer	3,727,164	6.49
		3,729,559	6.50	23/12/2016	2,395	-	Transfer	3,729,559	6.50
2	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP	1,250,916	2.18	15/04/2016	-	1,371	Transfer	1,249,545	2.18
				22/04/2016	-	112,295	Transfer	1,137,250	1.98
				29/04/2016	-	24,553	Transfer	1,112,697	1.94
				6/5/2016	-	22,280	Transfer	1,090,417	1.90
				22/07/2016	-	1,417	Transfer	1,089,000	1.90
				2/9/2016	-	4,000	Transfer	1,085,000	1.89
				20/01/2017	-	10,000	Transfer	1,075,000	1.87
				10/2/2017	-	44,088	Transfer	1,030,912	1.80
				3/3/2017	-	9,761	Transfer	1,021,151	1.78
				10/3/2017	-	30,851	Transfer	990,300	1.72
				17/03/2017	-	91,166	Transfer	899,134	1.57
		879,144	1.53	24/03/2017	-	19,990	Transfer	879,144	1.53
3	GOLDMAN SACHS INDIA FUND LIMITED*	1,194,243	2.08	20/05/2016		351360	Transfer	842883	1.47
				12/08/2016		265711	Transfer	577172	1.01
				18/11/2016		205407	Transfer	371765	0.65
				25/11/2016		91204	Transfer	280561	0.49
		0	-	9/12/2016		280561	Transfer	0	-
4	UTI-MID CAP FUND	712,464	1.24	23/12/2016		170000	Transfer	542464	0.94
		542464	0.94						

S No	Shareholder's Name	Shareholding		Increase/ Decrease in Shareholding			Reason	Cumulative Holding during the year (01/04/2016 to 31/03/2017)	
		No. of Shares at the beginning (01/04/2016) / end of the year (31/03/2017)	% of total Shares of the company	Date	Buying	Selling		No. of Shares	% of total Shares of the company
5	DSP BLACKROCK SMALL AND MID CAP FUND	704,291	1.23	5/8/2016	-	10,697	Transfer	693,594	1.21
				9/9/2016	-	2,780	Transfer	690,814	1.20
				16/09/2016	-	35,000	Transfer	655,814	1.14
				4/11/2016	-	88,710	Transfer	567,104	0.99
				24/02/2017	13,171	-	Transfer	580,275	1.01
				10/3/2017	11,682	-	Transfer	591,957	1.03
		614,709	1.07	24/03/2017	22,752	-	Transfer	614,709	1.07
6	DSP BLACKROCK MICRO CAP FUND	675,233	1.18	13/05/2016	169,055	-		844,288	1.47
				20/05/2016	83,758	-		928,046	1.62
				30/06/2016	2,318	-		930,364	1.62
				1/07/2016	10,000	-		940,364	1.64
				5/08/2016	-	14,285		926,079	1.61
				9/09/2016	-	3,712		922,367	1.61
				16/09/2016	-	47,000		875,367	1.52
				4/11/2016	-	87,736		787,631	1.37
				18/11/2016	142,858	-		930,489	1.62
				25/11/2016	3,809	-		934,298	1.63
				24/02/2017	30,015	-		964,313	1.68
				10/3/2017	19,486	-		983,799	1.71
		1,021,749	1.78	24/03/2017	37,950	-		1,021,749	1.78
7	DSP BLACKROCK EQUITY FUND*	600,004	1.04	22/04/2016	-	32,894	Transfer	567,110	0.99
				5/08/2016	-	8,616	Transfer	558,494	0.97
				16/09/2016	-	2,238	Transfer	556,256	0.97
		223198	0.39	23/09/2016	-	333,058	Transfer	223,198	0.39
8	DIMENSIONAL EMERGING MARKETS VALUE FUND	478,848	0.83	1/07/2016	-	3,007	Transfer	475,841	0.83
				8/07/2016	-	4,802	Transfer	471,039	0.82
				12/08/2016	-	10,213	Transfer	460,826	0.80
				19/08/2016	-	16,515	Transfer	444,311	0.77
				26/08/2016	-	21,143	Transfer	423,168	0.74
				2/09/2016	-	12,980	Transfer	410,188	0.71
				9/09/2016	-	5,559	Transfer	404,629	0.70
				16/09/2016	-	7,336	Transfer	397,293	0.69
				23/09/2016	-	2,886	Transfer	394,407	0.69
				30/09/2016	-	22,767	Transfer	371,640	0.65
				7/10/2016	-	8,210	Transfer	363,430	0.63
				14/10/2016	-	1,868	Transfer	361,562	0.63
				28/10/2016	-	4,180	Transfer	357,382	0.62
				11/11/2016	-	5,145	Transfer	352,237	0.61
				18/11/2016	-	22,356	Transfer	329,881	0.57
				17/03/2017	-	10,002	Transfer	311,290	0.54
		309,510	0.54	24/03/2017	-	1,780	Transfer	309,510	0.54

S No	Shareholder's Name	Shareholding		Increase/ Decrease in Shareholding			Reason	Cumulative Holding during the year (01/04/2016 to 31/03/2017)	
		No. of Shares at the beginning (01/04/2016) / end of the year (31/03/2017)	% of total Shares of the company	Date	Buying	Selling		No. of Shares	% of total Shares of the company
9	ABU DHABI INVESTMENT AUTHORITY	378,348	0.66	20/05/2016	44,900	-		423,248	0.74
				11/11/2016	80,752	-		504,000	0.88
				6/1/2017	-	5,265		498,735	0.87
		355,000	0.62	13/01/2017	-	143,735		355,000	0.62
10	KUWAIT INVESTMENT AUTHORITY FUND*	375,587	0.65	1/4/2016				375,587	0.65
		375,587	0.65	31/03/2017				375,587	0.65
11	GOVERNMENT PENSION FUND GLOBAL*	361,461	0.63	9/9/2016	-	5,092	Transfer	345,507	0.60
		264538	0.46	14/10/2016	-	12,063	Transfer	333,444	0.58
12	GOVERNMENT OF SINGAPORE			25/11/2016	36,727	-	Transfer	341,270	0.59
				2/12/2016	18,180	-	Transfer	359,450	0.63
		359,450	0.63	2/12/2016	18,180	-	Transfer	359,450	0.63
13	MIRAE ASSET EMERGING BLUECHIP FUND	308,821	0.54	18/11/2016	48,500	-	Transfer	357,321	0.62
				25/11/2016	-	30,000	Transfer	327,321	0.57
				23/12/2016	20,000	-	Transfer	347,321	0.60
				10/2/2017	50,000	-	Transfer	397,321	0.69
		435,321	0.76	17/02/2017	38,000	-	Transfer	435,321	0.76
14	MAX LIFE INSURANCE COMPANY LIMITED#	299076	0.52	13/05/2016	75,000	-	Transfer	438,076	0.76
				1/7/2016	7,000	-	Transfer	445,076	0.78
		247206	0.43	8/7/2016	-	1,256	Transfer	443,820	0.77
15	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY			29/07/2016	130,397	-	Transfer	287,454	0.50
				5/8/2016	194,030	-	Transfer	481,484	0.84
				12/8/2016	68,845	-	Transfer	550,329	0.96
				19/08/2016	11,198	-	Transfer	561,527	0.98
				26/08/2016	102,385	-	Transfer	663,912	1.16
				2/9/2016	225	-	Transfer	664,137	1.16
				9/9/2016	-	14,216	Transfer	649,921	1.13
				16/09/2016	252,003	-	Transfer	901,924	1.57
				28/10/2016	-	15,476	Transfer	886,448	1.54
				4/11/2016	93,998	-	Transfer	980,446	1.71
				11/11/2016	-	10,694	Transfer	969,752	1.69
				18/11/2016	112,296	-	Transfer	1,082,048	1.88
				25/11/2016	70,325	-	Transfer	1,152,373	2.01
				2/12/2016	22,074	-	Transfer	1,174,447	2.05
				16/12/2016	-	18,094	Transfer	1,156,353	2.01
				10/2/2017	-	59,835	Transfer	1,096,518	1.91
		1,058,633	1.84	24/02/2017	-	37,885	Transfer	1,058,633	1.84
16	TVF FUND LTD#			4/11/2016	51,009	-	Transfer	368,067	0.64
		314,047	0.55	10/3/2017	-	54,020	Transfer	314,047	0.55

Note:

* Ceased to be in the list of top 10 shareholders as on 31-03-2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2016.

Not in the list of Top 10 shareholders as on 01-04-2016 or 31-03-2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders during the year 2016-17.

Date of transfer has been considered as the date on which the beneficiary position was provided by the Depositories to the Company.

ATTACHMENT G

v. Shareholding of Directors and Key Managerial Personnel

S No	Shareholder's Name	Shareholding		Date*	Increase/ Decrease in Shareholding No. of Shares	Reason % of total Shares of the company	Cumulative Holding during the year (01/04/2016 to 31/03/2017)	
		No. of Shares at the beginning (01/04/2016) / end of the year (31/03/2017)	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Arun Bharat Ram	0		01-Apr-16				
				24-May-16	27500	Purchase	27500	0.05
		27500	0.05	31-Mar-17			27500	0.05
2	Vellayan Subbiah (Independent Director)	5507	0.01	01-Apr-16	-		5507	0.01
				17-May-16	7750	Purchase	13257	0.02
				19-May-16	150	Purchase	13407	0.02
		13407	0.02	31-Mar-17	-			0.02
3	Ravichandra Kambhampaty Director (Safety & Environment)*	1200	0.00	01-Apr-16	-	Nil movement during the year	1200	0.00
		1200	0.00	31-Mar-17				
4	Anoop K Joshi KMP-President ,CFO & Company Secretary	2500	0.00	01-Apr-16	-	Nil movement during the year	2500	0.00
		2500	0.00	31-Mar-17				
5	Sushil Kapoor KMP-President & CEO (TTB)	46200	0.08	01-Apr-16	-	Nil movement during the year	46200	0.08
		46200	0.08	31-Mar-17				
6	Prashant Mehra KMP-President & CEO (PFB)	100	0.00	01-Apr-16	-		100	00.0
				30-Jun-16	400	Purchase	500	00.0
				08-July-16	200	Purchase	700	00.0
				15-Nov-16	250	Purchase	950	00.0
		950	0.00	31-Mar-17	0		-	00.0
7	Prashant Yadav KMP-President & CEO (FCB & EP)	200	0.00	01-Apr-16	-	Nil movement during the year	200	00.0
		200	0.00	31-Mar-17				
8	Anurag Jain KMP-President & CEO (SCB)	0	0.00	01-Apr-16	-		-	00.0
				30-Jun-16	400	Purchase	400	00.0
				25-Nov-16	200	Purchase	600	00.0
		600	0.00	31-Mar-17	-		-	00.0

* Mr. Ravichandra Kambhampaty ceased to be Director wef 31.03.2017

ATTACHMENT H

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on March 31, 2017

(₹ in Crore)

	Secured Loan excluding Deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness as at the beginning of the financial year (April 1, 2016)				
i) Principal Amount	1,610.70	66.14	0.01	1,676.85
ii) Interest Due but not paid	-	-	-	-
iii) Interest Accrued but not due	1.84	-		1.84
Total (i+ii+iii)	**1,612.54**	**66.14**	**0.01**	**1,678.69**
Change in indebtedness during the FY				
Addition	397.91	523.73	-	921.64
Reduction	(478.38)	(486.88)	-	(965.26)
Change in interest Accrued	3.14	0.02	-	3.16
Net Change	(77.34)	36.87	-	(40.46)
Indebtedness as at the end of the financial year (March 31, 2017)				
i) Principal Amount	1,530.23	102.99	0.01	1,633.23
ii) Interest Due but not paid	-	-	-	-
iii) Interest Accrued but not due	4.98	0.02		5.00
Total (i+ii+iii)	**1,535.21**	**103.01**	**0.01**	**1,638.23**

ATTACHMENT I

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Crore)

S N.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Arun Bharat Ram Chairman	Ashish Bharat Ram Managing Director	Kartik Bharat Ram Deputy Managing Director	Ravichandra Kambhampaty Director (Safety & Environment)	
1	Gross Salary					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2.04	1.03	1.03	0.15	9.70
	b) Value of perquisites u/s 17(2) of the Income – tax Act, 1961	0.01	1.34	1.38	0.02	2.74
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- As % of profit (not included in 1(a) above)	2.25	1.60	1.60	-	5.45
	- Others					
5	Others	0.35	0.37	0.37	-	1.09
	TOTAL (A)	**4.65**	**4.34**	**4.37**	**0.17**	**13.53**
	Ceiling as per the Act	₹ 55.12 Crores (being 10% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013).				

ATTACHMENT J

B. Remuneration to other Directors

(₹ in Crore)

S No	Particulars of Remuneration	Vinayak Chatterjee	Lakshman Lakshminarayan	Vellayan Subbiah	Pramod Bhasin	Tejpreet Singh Chopra	Dr. Meenakshi Gopinath	Total
1	**Independent Directors**							
	-Fee for attending Board / committee meetings	0.05	0.02	0.04	0.02	0.04	-	0.17
	-Commission	0.08	0.08	0.08	0.08	0.08	-	0.40
	-Others	-	-	-	-	-	-	-
2	**Other Non-Executive Directors**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-Fee for attending Board / committee meetings	-	-	-	-	-	0.02	0.02
	-Commission	-	-	-	-	-	-	-
	-Others	-	-	-	-	-	0.13	0.13
	TOTAL (B)=(1+2)	**0.13**	**0.10**	**0.12**	**0.10**	**0.12**	**0.15**	**0.72**
	Ceiling as per the Act	₹ 5.51 Crores (being 1% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013)						
	TOTAL MANAGERIAL REMUNERATION*							**14.25**
	Overall Ceiling as per the Act	₹ 60.63 Crores (being 11% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013)						

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

ATTACHMENT K

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

(₹ in Crore)

S No	Particulars of Remuneration	Key Managerial Personnel					Total
		Sushil Kapoor President & CEO (TTB)	Prashant Mehra President & CEO (PFB)	Prashant Yadav President & CEO (FCB & EP)	Anurag Jain President & CEO (SCB)	Anoop K. Joshi President, CFO & CS	
1.	Gross Salary						
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2.35	1.63	1.72	1.64	1.44	8.78
	b) Value of perquisites u/s 17(2) of the Income – tax Act, 1961	0.01	0.11	0.05	0.10	0.07	0.33
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission	-	-	-	-	-	-
	- As % of profit - Others	-	-	-	-	-	-
5.	Others	0.12	0.13	0.09	0.13	0.11	0.58
	TOTAL (A)	**2.49**	**1.87**	**1.86**	**1.87**	**1.62**	**9.69**

ATTACHMENT L

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

(₹ in Crore)

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment/ compounding fees imposed	Authority (RD/ NCLT/ COURT)	Appeal made, if any (give details)
Company					
Penalty					
Punishment			NIL		
Compounding					
Directors					
Penalty					
Punishment			NIL		
Compounding					
Other Officers In Default					
Penalty					
Punishment			NIL		
Compounding					

MANAGEMENT DISCUSSION & ANALYSIS

SRF Limited management in the following pages provides its own perspective on the operating and financial performance of the Company during FY 2016-17 and an outlook of the business performance in the coming years.

Businesses

SRF Limited is a chemical-based multi-business entity engaged in the manufacturing of industrial and specialty intermediates. The Company is widely 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 also commands a significant global presence in some of its businesses, with operations in three countries namely India, Thailand and South Africa and commercial interests in more than seventy five countries. The Company classifies its main businesses as Technical Textiles Business (TTB), Chemicals & Polymers Business (CPB) and Packaging Films Business (PFB).

Technical Textiles Business

In spite of the soft demand situation across all segments of Technical Textiles Business (TTB) and volatility in commodity prices, the business as a whole performed reasonably well and registered a healthy Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) in FY 2016-17. All the business segments have contributed to the bottom line, faring well in a dynamic, competitive environment.

Tyre Cord Fabrics

The Nylon Tyre Cord Fabrics segment managed to retain its market leadership with a stable market share despite tough competition & increase in radialisation in the Bus and Truck segment. The improvement in financial performance, in part has been on account of significant improvements across operational parameters in all the plants.

The Polyester Yarn & Fabrics segment maintained its market share under soft market conditions and severe competition from Chinese players.

Belting Fabrics

Under the current global economic situation, the Company has expanded its customer base in the domestic market. With increased focus on redesigning of fabrics for lower cost and expansion of product range, Belting Fabrics has been able to sustain its performance in India.

The performance of the South African subsidiary was adversely affected during the year due to weak domestic market with the overall Belt industry's operating level below 50% and extremely aggressive Chinese competition.

Laminated and Coated Fabrics

The Laminated Fabrics segment held its price leadership position and gained share in an extremely competitive environment.

The Coated Fabrics segment, despite a dull market, has posted reasonable numbers and increased its market share. Focussed strategy on reduction of downgrades and waste have yielded improvements in cost structure and quality. The business is building upon the concept of "Solution Selling" aggressively to improve profitability further.

Industrial Yarn

SRF Limited continues to hold its position in different applications of Industrial Yarns with stable performance.

Outlook

The Nylon Tyre Cord Fabrics consumption in India is likely to remain flat in FY 2017-18 with increase in radialisation offsetting the demand growth due to GDP increase. The entry of a new player is likely to lead to squeezing of margins. The Company, however, expects to hold its share.

The fortunes of the Laminated Fabrics segment are likely to be similar in FY 2017-18 with aggressive marketing of hot lamination products. In the Coated Fabrics segment, top line is expected to improve through renewed focus on solution sales and expansion of product range.

The prospect of a resolution to the long-pending issues with regard to mining & infrastructure projects, in particular, augurs well for Belting Fabrics which are essentially used as reinforcement in conveyor belts. The Company hopes to be in a position to leverage the demand through sales growth.

Overall, with the Indian economy outlook being positive, TTB performance is expected to be stable, though there may be some ups and downs on the way.

Chemicals and Polymers Business

The Chemicals & Polymers Business comprises three different product lines namely Fluorochemicals, Specialty Chemicals and Engineering Plastics.

Fluorochemicals

The Fluorochemicals Business (FCB) derives its revenue from the sale of fluorine-based refrigerants, propellants and solvents. With strategically located manufacturing operations at Bhiwadi in Rajasthan and Dahej in Gujarat, the business is continuing its journey on the growth path. With the launch of HFC 32 and various other HFC Blends, SRF Limited is now the largest producer and seller of refrigerants in India. The pilot plant for the manufacture of next generation refrigerant, HFO 1234yf is ready and the Chemicals Technology Group (CTG) will start the commissioning process very soon.

Refrigerants

SRF Limited is the domestic market leader in the fluorinated refrigerants space. Exports to more than 60 countries worldwide account for a significant portion of the overall revenue. The refrigerant product range includes HCFC 22, HFC 134a, HFC 32 and HFC Blends such as HFC 404A, HFC 407C, HFC 410A. The business serves reputed OEMs manufacturing air-conditioners, refrigerator, chillers and automobiles. The demand for refrigerants continued on the growth path during FY 2016-17 on the back of strong sales of air-conditioners and growth in automobiles with key indicators signalling continued economic growth in the next year. Thus the medium-term outlook for refrigerants looks positive, especially for consumer durables like air-conditioners and refrigerators, as well as automobiles.

Solvents

SRF Limited's main products in the Chloromethane space are Methylene Chloride and Chloroform. Considering the market potential, SRF Limited is already in the process of setting up additional new capacity for Chloromethane at the Dahej site. Other products in this segment are Trichloroethylene, Perchloroethylene and Dilute Hydrofluoric Acid. These products have been well accepted in more than twenty countries.

Outlook

With overall sentiment in the market continuing to remain positive in FY 2017-18, the business is expected to improve its performance through renewed focus on capacity utilisation, cost improvement and brand building. The business will focus on increasing its share of HFC Blends and HFC 134a globally, apart from its ongoing efforts to pursue growth in the solvents business.

Specialty Chemicals

The Specialty Chemicals Business is focussed on the markets of cutting-edge agrochemical and pharmaceutical intermediates and advanced intermediates. In this context, it engages and partners with global majors in process development, commercialisation, and production of new-age molecules. The Business also participates in the area of specialty generics based on process development expertise in fluorinated and non-fluorinated chemistries, and leverages partnerships with external entities to access expertise and assets as required.

The ongoing slowdown in the global economy and agro industry has had an effect on the Business. While the product pipeline continues to be robust and product approvals are at a high, global customers continue to go slow on commercialisation due to an underlying economic weakness in key markets.

Outlook

The Business continues to expand its ability to handle complex reactions and supply new age molecules to innovators, while also increasing its focus on specialty generics to manage overall risk. Sales growth in the agrochemicals market is likely to be muted, in line with global trends. The new agrochemical projects of customers are moving in the right direction, albeit at a slower pace.

Not with standing the above, the Company continues to remain optimistic about the medium and long-term potential and prospects of the Specialty Chemicals Business and continues to invest in its future. The Business has received Board approval to set up a state-of-the-art new flexible manufacturing plant at Dahej to cater to emerging requirements and deploy new capabilities, as also new flexible manufacturing capacity focussed on production of pharmaceutical intermediates. This is in line with the Business' strategy to scale the technology and process development curve at a good pace.

Engineering Plastics

Overall market growth remained moderate in FY 2016-17 majorly due to normalisation in growth in the 2nd half of the year after demonetisation. Despite slowing growth and increasing pressure on prices of raw material, Engineering Plastics Business (EPB) posted improved performance. SRF Limited continues to maintain its leadership position in critical segments such as automotive and electrical by persistently focussing on key customers and applications, leveraging existing OEM relationships.

The Business adopted a coherent strategy of enhancing the current product portfolio by developing new products for the new segments in close co-ordination with key OEMs, fostering long-term relationships with customers, targeting global approvals from OEMs and focussing on cost competitiveness to maintain market share during volatility.

Outlook

Moderate to good growth is expected in automotive segment and the Business plans to leverage its long-term relationship with key customers to strengthen its presence and gain market share. Entering into new applications, gaining global approvals, expanding production capacity and taking benefit of improved new product development infrastructure will be the key. Besides, the business continues to expand its presence globally by entering new markets and strengthening presence in the existing markets.

Chemicals Technology Group

CTG is actively engaged in the development of new products and process technologies for the Fluorochemicals and Specialty Chemicals businesses. Its key focus is on the development of intermediates for new Active Ingredients in Pharmaceutical & Agrochemical industries and new generation Refrigerants.

Utilising synergetic efforts of chemists and engineers; two dedicated R&D facilities; state-of-the-art engineering lab and pilot plant facilities; CTG is persistently working towards improving SRF Limited's capabilities of process development, scale-up and commercialisation of new chemistries in our chosen areas of operation.

In order to cater to rising customer demands and shrinking timelines, CTG is continuously deliberating on enhancing the efficiency of its resources. With a clear vision and practising innovation, quality and productivity as the key drivers of success, CTG remains dedicated towards sustainable growth of SRF Limited.

Capital and Revenue expenditures amounting to ₹ 61.4 crore and ₹ 53.4 crore respectively were made during FY 2016-17 for R&D.

With every passing year, CTG is handling more complex processes involving a variety of chemistries. Comprehensively, R&D team worked on 47 molecules and a total of 19 products were successfully taken up for process development. A total of 16 scale-up campaigns were carried out by the pilot plant, 18 production campaigns were completed in commercial multipurpose plants and 5 new dedicated plants were commissioned based on in-house development. In FY 2016-17, CTG filed 30 patents taking the total count to 111 patents filed so far.

Packaging Films Business

Flexible packaging industry continued to face severe supply overhang resulting in sharp drop in margins across all markets. In BOPP segment, the industry witnessed historically low margins eroding a significant piece of profitability. In such a challenging environment, the focus area for SRF Limited's Packaging Films Business was to sustain business performance. In line with the target, all units improved their efficiencies resulting in ~4% volume growth while sustaining the best in industry cost structures. Three new products were launched and investment was made for a dedicated R&D setup. The philosophy of 'Easy to Do Business with (ETDBW)' resulted in wider and deeper penetration with multinational customers and the Business crafted a significant presence in developed markets like Europe and the United States.

For Packaging Films Business, this was also a year of expansion. A new BOPET facility was successfully started in February 2017 at Indore with vertical production and sales ramp-up. Also, an additional metalliser was set up at Thailand.

With its efficient cost structures, wide product portfolio, state-of-the-art technologies and TQM driven processes, Packaging Films Business could successfully sustain in the extremely challenging circumstances.

Outlook

Globally, the demand for flexible films is expected to be healthy. However, margins will remain under pressure. In view of the recently started and upcoming new capacities especially in India, supply will continue to far exceed the demand. Demand of flexible films in India is expected to grow by ~10% per annum.

In view of the demand-supply imbalance and global uncertainty, SRF Limited's strategy would evolve around continuously improving business performance with 100% utilisation of its assets and increased focus on value-added products, further enriching customer experience and successfully starting up the new BOPP film plant in India.

Human Resources

The year began with the identification and amalgamation of SRF Limited's Aspirations 2025 in almost all key HR initiatives. Several important means have been finalised by a team of cross functional representatives to promote a culture in the organisation that will help imbibe and promote all four elements of the Company's Aspirations 2025, namely, Professional Reputation and Value System, Customer Advocacy, Innovation and Technology Leadership and Operational Excellence.

The team achieved important milestones like the introduction of two new sabbatical policies, a new employee welfare fund by the name of Sahyog, a new Product Innovation Cadre for employees and structured guidelines for identification of critical roles in the organisation. As a part of our continuous effort to remain in touch with our ex-employees, a new Alumni portal was launched on social media. Two new policies were introduced to further strengthen the Company's connect with them.

In order to promote operational excellence, a lot of focus was given to IT-enablement and creation of self-help modules for employees. Various new modules, including communication expenses, special achievement awards and scholarship were developed. As the organisation continues to expand and grow globally, several employee-related policies and systems for overseas operations were evolved and documented.

In the learning and development space, a transformational step was undertaken this year. A new online Learning Management System, titled SOUL (SRF Limited Online University of Learning) was launched. The organisation not only developed its own content but also partnered with the best-in-class universities to introduce online courses in the organisation. A special focus was given to the training and development needs of senior management employees and few world-class signature workshops were conducted.

Industrial environment

The Company's employee relations remained positive throughout the year. Regular dialogue with Workers' Union also helped in maintaining harmonious work environment across all manufacturing locations.

The total number of permanent employees stands at 5,484 at the close of business on March 31, 2017.

Information Technology

SRF Limited started execution of its new IT Strategic plan in which there is a lot of emphasis on utilising the benefits of new age technologies like Analytics, mobility, machine integration, Cloud, etc. This year was about setting up the foundation for the coming years.

As part of regular IT-enablement, Oracle ERP was rolled out to the new PFB unit in Indore. Distributed Control System (DCS) machine integration with ERP was done at Chemicals Business-Dahej to improve productivity and accuracy. The plant maintenance module of Oracle called EAM-Enterprise Asset Management was deployed in some TTB Indian units along with a mobile app to help engineers take action on the shop floor.

PLM – Product Lifecycle Management is the core application for research, development and project-based organisations. SRF Limited went live with PLM in CTG and EPB to support the creation of new and differentiated products in the Pharma and Agro-Chemicals space. This will help us manage our product portfolio better and reduce our time to commercialise new products.

Dashboard and Analytics – Management MIS dashboards based on TQM standards were introduced in TTB that has replaced the cumbersome preparation work which was done earlier. The management now spends more time on analysis rather than on preparation of the data and charts. This has helped improve operational performance controls.

Information Security – IT threats are getting more complex and persistent. It is important that we protect our intellectual property against the ever increasing threats. Multiple security enhancements were done this year like Digital Signatures, Information Rights management, Encrypted bank transfers, Firewall upgrades, Data Leak tracking and prevention.

GST – This is the biggest Tax reform in this country which requires a massive upgrade of the ERP transaction systems to be ready by July 1, 2017. SRF Limited has tested and is ready with the new modules released by Oracle to enable this. More upgrades are expected as the rules and rates gets finalised and SRF Limited is geared up to test and implement the same through reputed management consulting partners.

Cloud – SRF Limited is carefully increasing its footprint in Cloud-based technologies and IOT. The IT team is deploying a hybrid infrastructure between the cloud and on premise data centre that would help us leverage many new collaboration and productivity enhancement tools while improving mobility. SRF Limited acquired a cloud-based Learning management solution that would help in improved training dissemination and management across SRF Limited.

So overall, this year has been a year of setting the platforms for the future. We will see major benefits from these in the coming years.

Community Partnerships

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

The year FY 2016–17 witnessed the expansion of the Foundation's education programme to 1,200 government schools in 1,200 villages across 11 locations in seven States. With a motto of Quality Education for All, the programme strives to provide quality education to more than 3,60,000 students by working with more than 2,096 teachers in these Government schools. The Foundation continued its work towards improving infrastructure facilities under School Education Programme, promoting computer-aided learning through KidSmart Centres, World on Wheels (WoW) and enrolling girls for residential learning under Udaan Programme, in collaboration with Government Education Department of respective States and like-minded companies like Coca Cola, IBM India, Capgemini, HP India, Sunrise, Care India, among others.

SRF Limited Foundation also undertook several new initiatives to improve the employability of people, especially the younger generation from disadvantaged communities at plant locations by providing vocational skills through partnership with Rama Krishna Polytechnic, Schneider Electrical and The Times of India.

SRF Limited Foundation, through its Natural Resource Management (NRM) programme continued to reach out to economically weaker families near its factory establishment at Bhiwadi in Rajasthan to improve their livelihood adopting the watershed based livelihood and environment conservation approach. The year FY 2016-17 was the project consolidation year and was sustainably handed over to the Self Help Group (SHG) Federation promoted under the project. In its 10 years of intervention, the project has positively impacted 6,746 families with sustainable livelihood interventions and extensively worked for the soil and water conservation in 42 project villages. The Foundation has constructed and revived 204 rainwater harvesting structures (earthen check dams) for groundwater recharge along with the other initiatives like drip and sprinkler promotion for water conservation and management in agriculture which accounts for more than 70% of the total water consumption in the country. So far, 1,765 hectares of privately-owned wasteland has been reclaimed and put under agricultural use, supporting the sustainable livelihood of the rural poor and contributing towards food security of the country.

During the year, SRF Limited's Fluorochemicals and Specialty Chemicals Business was felicitated by the Government of Rajasthan with the "Rajasthan State Bhamashah Award" for support to elementary education in Bhiwadi region.

Internal Control Systems & Adequacy

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

- Close and active supervision by the Audit Committee
- Business planning and review of goals achieved
- Evaluating & managing risks
- Ensuring reliability of financial and operational reporting
- 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.

The Company uses Enterprise Resource Planning (ERP) supported by in-built controls that ensures reliable and timely financial reporting.

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.

During the current financial year, the Company adopted IND-AS, Income computation and disclosure standards (ICDS) and is transitioning to Goods and Services Tax, etc. which includes significant changes to its systems and processes. The Company is taking appropriate measures and shall ensure that all the relevant controls and processes are in place at the time of each transition.

Risk Management

The objective of SRF Limited's risk management framework is to identify events that may adversely affect the Company, and manage risks in order to provide reasonable assurance for achieving the Company's objectives. The Board of Directors is apprised of the developments in risk management in the Company on a periodic basis.

Strategic Risks

Strategic plans for the Company's businesses take into account likely risks in the industrial environment from competition, changing customer needs, obsolescence and technological changes. Annual plans that are drawn up consider the risks that are likely to impact the Company's objectives in that year, and the counter-measures put in place.

Operational Risks

SRF Limited has a combination of well documented centrally issued policies & divisionally evolved procedures to manage operational risks. The Company has a well-defined delegation of power and relies on a TQM system of control points, comprehensive budgetary controls and review systems to monitor its operations. In addition, internal audits verify compliance to defined policies and procedures.

Financial Risks

With a diverse business portfolio, SRF Limited is exposed to numerous financial risks. These primarily emanate from foreign currency exchange risk from exports of its products, imports of raw material, services, capital goods and servicing of foreign currency debt.

SRF Limited follows a conservative foreign exchange risk management policy to minimise or eliminate the risks associated with operating activities.

The Company has laid down detailed policy guidelines to deal with all aspects of financial risks viz. liquidity risks, credit risks and market risks.

Information Technology Risks

The Company has set up adequate redundancy at the hardware and software levels in the mission critical information systems like the ERP to keep business going in the event of any disruption. As an additional precaution, regular backup of data is taken to prevent any data loss in these critical applications.

Regulatory Risks

The Company has a robust and comprehensive framework of Compliance Manager (CM) which continuously verifies compliance with respect to various applicable laws and help to monitor the compliances across the Company.

Financial and Accounting Risks

The Company has a well-defined Accounting Manual and Financial & Accounting Policies in place.

Financial and Accounting Policies of the Company underwent significant changes as mandated by the new accounting standards (IND-AS) when the Company transitioned to IND-AS in the current financial year. Various changes in accounting policies, carve-ins and carve-outs, options and accounting policy choices that the company took in this financial year will be documented by way of a revised accounting manual and relevant adoption in IT systems.

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, 2017, SRF's Board consisted of 10 Directors, of which four are executives of the Company (including the Chairman, who is an Executive Chairman), one is non-executive & non-independent and five are independent. Table 1 gives the details of the Board during the year 2016-17.

Table 1: Composition of the Board of Directors of SRF#

Name of Director	Category of Director	No. of other Directorships* (other than SRF Limited)	No. of Committees where Chairperson or Member (including SRF Limited)	
			Chairperson	Member
Arun Bharat Ram	Executive Chairman, Promoter	3	1	4
Ashish Bharat Ram	Executive, Promoter	3	2	3
Kartik Bharat Ram	Executive, Promoter	2	-	5
Ravichandra Kambhampaty (Resigned wef March 31, 2017)	Executive	-	-	-
Vinayak Chatterjee	Non-Executive , Independent	4	2	3
Tejpreet S Chopra	Non-Executive , Independent	2	1	4
Lakshman Lakshminarayan	Non-Executive , Independent	6	5	7
Vellayan Subbiah	Non-Executive , Independent	3	2	7
Pramod Bhasin	Non-Executive , Independent	2	-	3
Dr Meenakshi Gopinath	Non-Executive, Non-Independent	-	1	-

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

* Directorship in Foreign companies, Indian private limited companies and companies under Section 8 of the Companies Act, 2013 are not included.

Mr. Pramod Gopladas Gujarathi has been appointed as Director (Safety & Environment) & Occupier for a period of 3 years wef April 1, 2017.

Independent Directors on the Board are Non-Executive Directors.

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

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

Independent Directors' Meeting

In accordance with the applicable provisions of Companies Act, 2013 and Listing Regulations a meeting of the Independent Directors of the Company was held on February 10, 2017, without the attendance of Non-Independent Directors and members of the management.

Familiarisation Programme

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

Number of Board Meetings

During 2016-17, the Board of Directors met five times on the dates as referred below in Table 2. The gap between any two Board Meetings did not exceed four months.

Table 2: Attendance of directors in Board Meetings and Annual General Meeting (AGM) held during the year in 2016-17

Name of the Director	Date of Board Meeting and Attendance of Directors					Date of AGM and Attendance of Directors
	April 8, 2016	May 10, 2016	August 8, 2016	November 11, 2016	February 10, 2017	August 8, 2016
Arun Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes
Ashish Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes
Kartik Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes
Ravichandra Kambhampaty	No	No	No	Yes	Yes	No
Vinayak Chatterjee	No	Yes	Yes	No	Yes	Yes
Tejpreet S Chopra	No	Yes	Yes	Yes	Yes	Yes
Lakshman Lakshminarayan	No	No	Yes	Yes	Yes	Yes
Vellayan Subbiah	No	Yes	Yes	Yes	Yes	Yes
Pramod Bhasin	Yes	Yes	Yes	Yes	No	Yes
Dr Meenakshi Gopinath	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 2016-17 and table 4 gives details of Service Contracts

Table 3: Remuneration Paid or Payable (₹ in crores)

Name of Director	Salary & Allowances	Sitting Fees	Perquisites	Provident Fund and Superannuation Fund @	Commission/ Professional Fee	Total
Arun Bharat Ram	2.04	-	0.20	0.35	2.25	4.84
Ashish Bharat Ram	1.38	-	1.42	0.37	1.60	4.77
Kartik Bharat Ram	1.38	-	1.38	0.37	1.60	4.73
Ravichandra Kambhampaty	0.15	-	0.02	-	-	0.17
Vinayak Chatterjee		0.05			0.08	0.13
Tejpreet S Chopra		0.04			0.08	0.12
Lakshman Lakshminarayan		0.02			0.08	0.10
Vellayan Subbiah		0.04			0.08	0.12
Pramod Bhasin		0.02			0.08	0.10
Dr Meenakshi Gopinath		0.02			0.13	0.15
Total	**4.95**	**0.19**	**3.02**	**1.09**	**5.98**	**15.23**

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

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

Table 4: Details of Service Contracts

Name of Director	Tenure	Notice Period	Severance Fee
Arun Bharat Ram	5 years w.e.f. June 15, 2013#	6 months by either party	Nil
Ashish Bharat Ram	5 years w.e.f. May 23, 2015	3 months by either party	Nil
Kartik Bharat Ram	5 years w.e.f June 01, 2016	3 months by either party	Nil
Pramod Gopaldas Gujarathi	3 years w.e.f. April 01, 2017*	1 month by either party	Nil

*Subject to shareholders approval in 46th Annual General Meeting.

Board of Directors had at its meeting held on May 22, 2017 recommended reappointment of Mr. Arun Bharat Ram for a further term of 5 years with effect from June 15, 2018, to the shareholder at the 46th Annual General Meeting.

Shareholding of Non-Executive Directors

Table 5 gives details of the shares held by the non-executive Directors as on March 31, 2017.

Table 5: Equity Shares Held by Non-Executive Directors as on March 31, 2017

Name of Director	Category	Number of Equity Shares Held
Vinayak Chatterjee	Independent	-
Tejpreet S Chopra	Independent	-
Lakshman Lakshminarayan	Independent	-
Vellayan Subbiah	Independent	13,407
Pramod Bhasin	Independent	-
Dr Meenakshi Gopinath	Non-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 Indian subsidiary companies and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board.

Code of Conduct

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

Risk Management

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

Statutory Committees of the Board

a) Audit Committee

i) Terms of Reference

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

In addition, the Committee also mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- Statement of deviations:
    - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

ii) Composition of Audit Committee and Attendance of members in Audit Committee Meeting held during the year

As on March 31, 2017, the Audit Committee of SRF comprised of three Directors all of whom are independent. The constitution of the Committee meets the requirements of Section 177 of the Companies Act, 2013, as well as Regulation 18 of Listing Regulations.

Table 6 provides details of the Audit Committee meetings held during the year 2016-17 and attendance of its members.

Table 6: Attendance Record of Audit Committee Meetings during 2016-17

Name of Members	Category	Date of Audit Committee Meeting and Attendance of Members			
		May 10, 2016	August 8, 2016	November 11, 2016	February 10, 2017
Vinayak Chatterjee (Chairman)	Independent, Non-Executive	Yes	Yes	No	Yes
Lakshman Lakshminarayan	Independent, Non-Executive	No	Yes	Yes	Yes
Vellayan Subbiah	Independent, Non-Executive	Yes	Yes	Yes	Yes

All the members of the Audit Committee are financially literate. Chairman, Managing Director, Deputy Managing Director, Internal Auditors and Statutory Auditors are invitees to the Committee. Mr Anoop K Joshi, President, CFO & Company Secretary acts as Secretary to the Committee.

b) Nomination and Remuneration Committee

i) Terms of Reference

The terms of reference of the Committee are wide enough covering the matters specified in Listing Regulations and the Companies Act, 2013 and Terms of reference of the Committee briefly are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- Formulation of criteria for evaluation of Independent Directors and the Board
- Devising a policy on Board diversity.
- Formulation of policies for remuneration to Directors, Key Managerial Personnel, Senior Management Personnel, functional heads and other employees.
- Identification and recommendation to Board of persons who are qualified to become Directors, Key Managerial Personnel, Senior Management Personnel and functional heads in accordance with the criteria laid down.
- Recommend to the Board on appointment and removal of Directors, Key Managerial Personnel, Senior Management Personnel and functional heads.
- Evaluation of the performance of Directors (other than independent directors).
- Evaluation of the performance of independent directors and make recommendations to Board.
- To oversee succession planning for Board of Directors, Key Managerial Personnel, Senior Management Personnel and Functional Heads.
- Formulation of criteria for making payment to Non Executive Directors

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, 2017, this Committee comprised three Directors, Mr Vinayak Chatterjee (Chairman), Mr Tejpreet Singh Chopra and Mr Vellayan Subbiah, all of whom are independent. The constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013.

Table 7 provides details of the Nomination and Remuneration Committee meetings held during the year 2016-17 and attendance of its members.

Table 7: Attendance Record of Nomination and Remuneration Committee Meetings during 2016-17

Name of Members	Category	Date of NRC Meeting and Attendance of Members	
		October 12, 2016	February 10, 2017
Vinayak Chatterjee (Chairman)	Independent, Non-Executive	Yes	Yes
Tejpreet Singh Chopra	Independent, Non-Executive	Yes	Yes
Vellayan Subbiah	Independent, Non-Executive	No	Yes

iii) Annual Evaluation of Board, Committees and Individual Directors

Pursuant to the provision 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) has 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 like attendance and participation in Board and committee meetings, advises on implementation of good corporate governance practices, diligence and independence in judgement and actions, good faith and interest of the stakeholders, etc. Based upoon the recommendations of the NRC, the Board of Directors decide to continue their appointment or consider them for reappointment.

iv) Nomination, Appointment and Remuneration Policy

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

c) Stakeholders Relationship Committee

As on March 31, 2017, this Committee comprised of five Directors—three executive Directors and two non-executive Directors. The Chairman of the Committee is Mr Tejpreet Singh Chopra, an Independent & Non-Executive Director.

Table 8 provides details of the Stakeholders Relationship Committee meetings held during the year 2016-17 and attendance of its members.

Table 8: Attendance Record of Stakeholders Relationship Committee Meetings during 2016-17

Name of Members	Category	Date of Stakeholders Relationship Committee Meeting and Attendance of Members											
		April 4, 2016	April 18, 2016	May 20, 2016	June 16, 2016	July 18, 2016	Aug 16, 2016	Aug 18, 2016	Sep 13, 2016	Oct 19, 2016	Nov 11, 2016	Feb 3, 2017	March 27, 2017
Tejpreet Singh Chopra (Chairman)	Non-Executive Independent	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes
Arun Bharat Ram	Executive Chairman, Promoter	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Ashish Bharat Ram	Executive, Promoter	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Kartik Bharat Ram	Executive, Promoter	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Vinayak Chatterjee	Non-Executive Independent	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes

Mr. Sanjiv Kumar Sharma, Deputy General Manager (Secretarial) is designated as Compliance Officer under Listing Regulations.

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

As on March 31, 2017, 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 2016-17.

Table 9: Shareholder and Investor Complaints received and redressed during 2016-17

Total Complaints Received	Total Complaints Redressed	Complaints not solved to the satisfaction of Shareholders	Pending as on March 31, 2017
220	220	Nil	Nil

d) Corporate Social Responsibility Committee

As on March 31, 2017, this Committee comprised of three Directors— Dr. Meenakshi Gopinath (Chairperson), Mr. Kartik Bharat Ram and Mr. Lakshman Lakshminarayan. The constitution of the Committee meets the requirements of Section 135 of the Companies Act, 2013.

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

Table 10 provides details of the CSR Committee meetings held during the year 2016-17 and attendance of its members.

Table 10: Attendance Record of CSR Committee Meetings during 2016-17

Name of Members	Category	Date of NRC Meeting and Attendance of Members May 10, 2016
Dr. Meenakshi Gopinath (Chairperson)	Non-Independent, Non-Executive	Yes
Mr Lakshman Lakshminarayan	Independent, Non-Executive	No
Mr. Kartik Bharat Ram	Executive , Promoter	Yes

e) Committee of Directors – Financial Resources

As on March 31, 2017, this Committee comprised of three Directors— Mr. Arun Bharat Ram, Mr. Ashish Bharat Ram and Mr. Kartik Bharat Ram.

Table 11 provides details of the Committee of Directors- Financial Resources meetings held during the year 2016-17 and attendance of its members.

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

Name of Members	Category	Date of Stakeholders Relationship Committee Meeting and Attendance of Members									
		May 10, 2016	August 10, 2016	Oct 25, 2016	Nov. 11, 2016	Dec 12, 2016	Dec 28, 2016	Jan 19, 2017	Feb 10, 2017	March 3, 2017	March 22, 2017
Mr. Arun Bharat Ram	Executive Chairman, Promoter	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ashish Bharat Ram	Executive, Promoter	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Kartik Bharat Ram	Executive, Promoter	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Management

Management Discussion and Analysis

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

Disclosure Requirements

- During the year 2016-17, the Company had no materially significant related party transactions. Transactions with related parties are disclosed in Note No 33. to the Financial Statements. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said policies are available on the website of the Company at the http://www.srf.com/investor-relations/investors.html#governance. Policy of determining 'material subsidiaries' is available on the website of the Company at the http://www.srf.com/investor relations/investors.html#governance.

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

- Vigil Mechanism Policy: Section 177 (9) of the Companies Act, 2013 and Regulation 22 of Listing Regulations requires that a Company shall have a vigil mechanism for directors and employees for reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Vigil Mechanism Policy of the Company includes Code of Conduct for Directors and Senior Management Personnel , Code of Conduct for employees , Policy against sexual harassment, Whistleblower Policy and Code of Conduct for Prevention of Insider Trading. The Company is following such a policy and crux of which is disclosed by the Company on its website at the http://www.srf.com/investor relations/investors.html#governance. No personnel has been denied access to the Audit Committee for raising his/her concern under this policy during financial year 2016-17.

- The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 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 2016-17 is in compliance with the requirements of Listing Regulations, as applicable.

Non-Mandatory Requirement

The status of adoption of the non-mandatory requirements as specified in sub – regulation 1 of Regulation 27 of the Listing Regulations are as follows:

(a) **The Board** : The Chairman of the Company is Executive Chairman; (b) **Shareholder Rights**: Half-yearly and other quarterly financial statements are published in newspapers, uploaded on Company's website www.srf.com.in (c) **Modified opinion(s) in audit report**: The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements; (d) **Separate posts of Chairperson and CEO**: Mr. Arun Bharat Ram is the Chairman and Mr. Ashish Bharat Ram is the Managing Director of the Company; and (e) **Reporting of Internal Auditor**: The Internal Auditor of the Company reports to the President, CFO & Company Secretary 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.

Reappointment/Appointment of Directors

Mr K Ravichandra, Whole Time Director (Safety & Environment) resigned from the Directorship wef March 31, 2017.

Subject to approval of the members at the ensuing Annual General Meeting Mr. Pramod Gopladas Gujarathi has been appointed as Director (Safety & Environment) & Occupier for a period of 3 years wef April 1, 2017.

Mr. Arun Bharat Ram, Chairman is retiring by rotation in the forthcoming AGM and being eligible, offer himself for re-appointment. He is also being reappointed as Chairman with executive power for further term of 5 years with effect from June 15, 2018.

Brief resume of Mr. Pramod Gopladas Gujarathi and Mr. Arun Bharat Ram are given in the Notice of the 46th Annual General Meeting.

Means of Communication with Shareholders

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

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

General body meetings

Last three Annual General Body Meetings

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

Table 12 : Last three AGMs of the Company

Year	Location	Date	Time	No. of Special Resolutions Passed
2013-14	Laxmipat Singhania Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	August 4, 2014	3.30 P.M.	5
2014-15	Same as above	August 6, 2015	3.30 P.M.	2
2015-16	Same as above	August 8,2016	3.30 P.M.	2

Postal Ballot

During the year, no resolution was passed through Postal Ballot. No special resolution is proposed to be conducted through Postal Ballot.

Additional Shareholder Information

46th Annual General Meeting

Day	:	Tuesday
Date	:	August 8, 2017
Time	:	3.30 P.M.
Venue	:	Laxmipat Singhania Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016

Financial Year

April 1 to March 31

Tentative Financial Calendar for Results, 2017-18

First Quarter	First week of August 2017
Second Quarter	First week of November 2017
Third Quarter	Second week of February 2018
Fourth Quarter and Annual	Third week of May 2018

Book Closure Date

The Share Transfer Register of SRF will remain closed from Tuesday, August 1, 2017 to Tuesday, August 8, 2017 (both days inclusive) for the purposes of holding the Annual General Meeting.

Interim Dividend Payment Date

Two interim dividends of ₹ 6 per share each (60 per cent) on the paid up capital of the Company absorbing ₹ 82.93 Crores approx. (inclusive of tax) were paid on August 26, 2016 and February 28, 2017respectively.

Listing on Stock Exchanges in India

SRF's shares are listed on BSE and NSE and debentures are listed on NSE. The Company has paid the listing fee to both BSE and NSE for the year 2017-18. The Stock Codes are:

Stock Exchanges	Equity Shares	Debentures
BSE Limited	503806	-
National Stock Exchange	SRF	INE647A07025

Stock Market Data

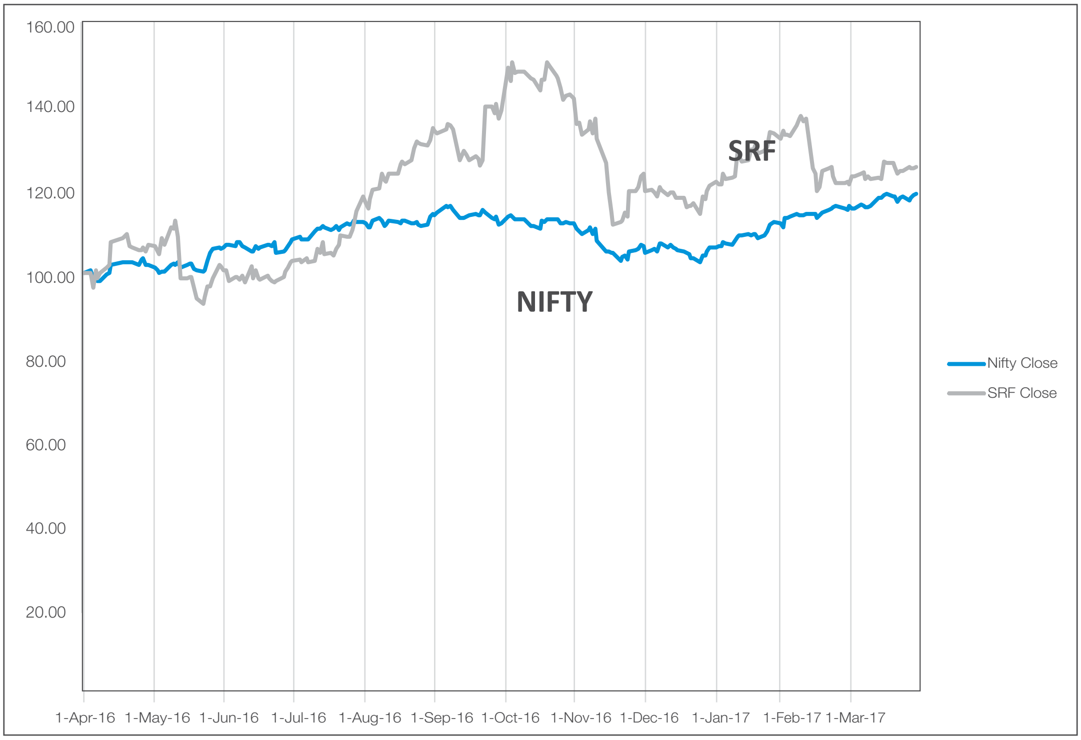
Table 13 gives the monthly high and low quotations as well as the volume of shares traded at BSE and NSE during 2016-17.

Table 13: Monthly Highs and Lows and Volumes Traded at the BSE and NSE during 2016-17

Month	BSE			NSE		
	Highest Price (₹)	Lowest Price (₹)	Volume (No.)	Highest Price (₹)	Lowest Price (₹)	Volume (No.)
Apr-16	1,415.00	1,227.30	248,526	1,416.00	1,227.00	2,500,541
May-16	1467.25	1,165.50	727,322	1,468.80	1,165.35	6,368,536
Jun-16	1,324.00	1,199.80	236,565	1,324.70	1,196.65	2,990,673
Jul-16	1,470.00	1,296.10	421,293	1,472.40	1,296.05	3,816,573
Aug-16	1,724.45	1,451.25	656,361	1730.00	1462.2	7,346,014
Sep-16	1,824.05	1,592.90	639,765	1,824.80	1,597.00	5,101,217
Oct-16	1,969.50	1,780.00	392,928	1,970.00	1,775.10	4,700,031
Nov-16	1,845.70	1,352.15	494,731	1,850.00	1,351.00	6,112,369
Dec-16	1,597.00	1,445.00	402,430	1,591.60	1,444.00	3,853,438
Jan-17	1,758.95	1,534.7	329,183	1,760.00	1,531.15	4,302,296
Feb-17	1,783.90	1,509.00	418,629	1,783.60	1,506.15	5,097,297
Mar-17	1,649.00	1,541.00	308,116	1,646.40	1,542.10	4,280,323

Chart 1: Share prices of Nifty versus SRF Limited for the year ended March 31 2017

SRF Share Price Movement Vs Nifty for 2016-17



Note: Both Nifty and SRF share prices are indexed to 100 as on April 1, 2016

Registrar and Share Transfer Agents

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

Share Transfer System in Physical Mode

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

The total number of shares transferred in physical form during the period from April 1, 2016 to March 31, 2017 was 44,056.

Depository System

Shareholders can trade in the Company's shares only in electronic form. The process for getting the shares de-materialised is as follows:

- Shareholder submits the shares certificate along with De-materialisation Request Form (DRF) to Depository Participant (DP)
- DP processes the DRF and generates a unique De-materialisation Request No
- DP forwards the DRF and share certificates to the Registrar and Share Transfer Agent (RTA)
- RTA after processing the DRF confirms or rejects the request to Depositories
- If confirmed by the RTA, depositories give the credit to shareholder in his /her account maintained with DP

  This process takes approximately 10-15 days from the date of receipt of DRF.

  As the trading in the shares of the Company can be done only in the electronic form, it is advisable that the shareholders who have the shares in physical form get their shares dematerialised.

Dematerialisation of Shares & Liquidity

As on March 31, 2017 there were 36,247 shareholders holding 55,796,892 shares in electronic form. This constitutes 97.17 per cent of the total paid-up share capital of the Company.

Distribution of Shareholding as on March 31, 2017

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

Table 14: Pattern of Shareholding by Share Class as on March 31, 2017

No. of Equity Shares held	No. of share-holders	% of Share-holders	No. of shares	% of Share-holding
Upto 500	52,605	94.79	4,411,992	7.68
501- 1000	1,644	2.96	1,217,649	2.12
1001 - 2000	605	1.09	896,396	1.56
2001 - 3000	192	0.35	491,782	0.86
3001- 4000	77	0.14	275,058	0.48
4001- 5000	79	0.14	366,709	0.64
5001 - 10000	126	0.23	889,943	1.55
10001 & Above	166	0.30	48,870,971	85.11
Total	**55,494**	**100.00**	**57,420,500**	**100.00**

Table 15: Pattern of Shareholding by Ownership as on March 31, 2017

Category	Shareholding	
	Number of Shares Held	Shareholding %
Promoters	30,076,500	52.38
Mutual Funds & UTI	5,640,076	9.82
Banks, Financial Institutions, Insurance Companies	532,914	0.93
Foreign Institutional Investors/Foreign Portfolio Investors/ Foreign Nationals	10,405,164	18.12
Private Corporate Bodies	1,707,569	2.97
Indian Public	7,953,871	13.85
NRIs / OCBs	578,871	1.01
Others (including shares in transit)	525,535	0.92
Total	**57,420,500**	**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, 2017, there were no outstanding GDRs/ ADRs/ Warrants or any convertible instruments

Commodity price risk or foreign exchange risk and hedging activities

During the year 2016-17, 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. 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 Polymers Business	• Village & P.O. Jhiwana, Tehsil Tijara, Distt. Alwar - 301 018, Rajasthan • Manali Industrial Area, Manali, Chennai – 600 068, Tamil Nadu • Plot No. 14 C, Sector 9, IIE Pantnagar, Distt.Udham Singh Nagar-263153, Uttarakhand • DII / I GIDC. PCPIR,GIDC Phase II, Tal Vagra, Vill. Dahej, Dist Bharuch-392130, Gujarat
Packaging Films Business	• Plot No. 12, Rampura, Ramnagar Road, Kashipur, Dist. Udham Singh Nagar-244713, Uttarakhand • Plot No. C 1-8, C 21-30, Sector 3, Indore Special Economic Zone, Pitam Pur, Dist. Dhar-454775, Indore, MP • Plot No. 675, Industrial Area, Sector 3, Village Bagdoon, Pithampur, Dist. Dhar – 454 775, Indore MP

Address for Correspondence

Registered Office	Corporate Office	Registrar & Share Transfer Agent	Debenture Trustee
C-8, Commercial Complex Safdarjung Development Area New Delhi 110 016 Tel. No: (+91-11) 26857141 Fax No: (+91-11) 26510428	Block – C, Sector –45 Gurgaon 122 003 Tel No.:(+ 91-124) 4354400 Fax No.: (+ 91-124) 4354500 E-mail : ajoshi@srf.com	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500032 Tele No : (+91- 40) 67162222 Fax : (+91- 40) 2300 1153 E-mail : einward.ris@karvy.com	Vistra ITCL (India) Limited (Formerly known as IL&FS Trust Company Limited) The IL&FS Financial Centre Plot C-22, G Block Bandra Kurla Complex, Bandra East Mumbai 400 051 Tel: (011) 46577591 Email: Neelu.Subramanian@vistra.com Website: www.vistraitcl.com Contact Person: Neelu Subramanian, Regional Head-Corporate Trustee (North & East)

Declaration Regarding Code of Conduct

Ashish Bharat Ram, Managing Director of SRF Limited declares that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended March 31, 2017.

Date: May 22, 2017
Place: Gurgaon

Ashish Bharat Ram
Managing Director

Independent Auditor's Report

TO THE MEMBERS OF SRF LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of SRF Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the 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, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

Attention is invited to Note 31(b) to the accompanying financial statement, which sets out the position of the demand of Central Sales Tax, Value Added Tax and Entry Tax aggregating to ₹ 123.11 crores, including interest and penalty of ₹ 34.38 crores for the period from 2004 to 2013. The Company has filed writ petitions against such demand, on which, the Hon'ble High Court of Madhya Pradesh ("Court") has granted stay on payment of 10% of the total demand in cash and remaining 90% as bank guarantee. The Management is of the view which is also confirmed by legal opinion that Company has a good case on merits and is confident of getting relief from the Court and, accordingly, no provision has been created.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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.
   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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
   e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 31(a) to the financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 31(i)(iii) to the financial statements;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
      iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company – Refer Note 40(g) to the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
Partner
(Membership No. 094468)

Gurgaon, May 22, 2017

Annexure "A" to the Independent Auditor's Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SRF Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting 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.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
Partner
(Membership No. 094468)

Gurgaon, May 22, 2017

Annexure "B" to the Independent Auditor's Report

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

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

In respect of immovable properties of land that have been taken on lease and disclosed as other assets - non-current/current in the financial statements and buildings, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement except the following:

Particulars of the immovable properties	Gross Block (₹ Crores) 31.03.2017	Net Block (₹ Crores) 31.03.2017	Remarks
Leasehold land located at Dahej, Gujarat measuring 911336 square meters	69.25	67.77	Execution of lease deed in respect of leasehold land allotted to the Company by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending (Refer Note 8)
Leasehold land measuring 272109.50 square meters and building located at Malanpur, Madhya Pradesh	35.54	32.19	Conveyancing of buildings and other superstructures located at Company's plant at Malanpur in the state of Madhya Pradesh including immovable machinery is linked to the Stamp Duty matter (Refer Note 31(a))

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals other than for stock lying with third parties and/or goods in transit for which confirmations have been obtained / subsequent receipts have been verified in most of the cases.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

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

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted from the public which have matured and are being reflected under "Unclaimed fixed deposits (including interest)". According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Works Contract Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Works Contract Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Value Added Tax, Service Tax, Excise Duty, Customs Duty and Cess which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (₹ In Crores)
Central Excise Laws	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1994-2015	71.17
		Upto Commissioner (Appeals)	1993-2016	3.73
Service Tax Laws	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2005-2008	0.13
		Upto Commissioner (Appeals)	2006-2015	1.70
Customs Laws	Customs Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2005-2013	1.50
		Upto Commissioner (Appeals)	2002	0.17
Sales Tax Laws	Sales Tax	High Court	2004-2013	94.82
		Sales Tax Appellate Tribunal	1987-2008	1.02
		Upto Commissioner (Appeals)	1988-2015	0.75
Income Tax Laws	Income Tax	Supreme Court	1988-1989	1.13
		Income Tax Appellate Tribunal (ITAT)	2009-2011	1.69
Others	Electricity Cess	High Court	2007-2014	0.13

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

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

Name of the Statute	Nature of the dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount (₹ in Crores)
Central Excise Laws	Excise Duty	High Court	1994-2002	1.67
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1989-1995	2.24

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised any money by way of initial public offer/further public offer (including debt instruments) during the year.

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
Partner
Gurgaon, May 22, 2017 (Membership No. 094468)

Balance Sheet

as at March 31, 2017

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

Particulars	Note No.	As at March 31 , 2017	As at March 31 , 2016	As at April 01 , 2015
ASSETS				
Non-current assets				
Property, Plant and Equipment	2	3,534.79	3,209.60	3,019.71
Capital work-in-progress	2	271.83	130.22	118.15
Goodwill	3	1.41	1.41	1.41
Other Intangible assets	4	80.75	94.26	101.63
Financial Assets				
Investments	5	108.72	87.93	83.65
Loans	6	42.03	29.98	34.27
Other non-current assets	8	152.94	171.48	105.54
Total Non - Current Assets		4,192.47	3,724.88	3,464.36
Current assets				
Inventories	9	727.48	579.97	603.66
Financial Assets				
Investments	5	170.76	160.60	95.78
Trade receivables	10	514.59	371.68	478.55
Cash and cash equivalents	11	47.89	280.34	57.05
Bank balances other than above	12	8.49	49.35	8.10
Loans	6	12.05	9.12	5.71
Other financial assets	7	62.65	55.83	17.19
Other current assets	8	221.51	181.78	106.01
Total Current Assets		1,765.42	1,688.67	1,372.05
TOTAL ASSETS		**5,957.89**	**5,413.55**	**4,836.41**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	13	58.44	58.44	58.44
Other Equity	14	3,086.41	2,745.19	2,443.72
Total equity		3,144.85	2,803.63	2,502.16
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	15	960.00	1,341.09	1,135.15
Provisions	16	22.25	18.57	16.69
Deferred tax liabilities (Net)	17	264.91	246.88	210.03
Other non current liability	21	5.38	-	-
Total Non - Current Liabilities		1,252.54	1,606.54	1,361.87

Balance Sheet (Contd.)

as at March 31, 2017

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

Particulars	Note No.	As at March 31 , 2017	As at March 31 , 2016	As at April 01 , 2015
Current liabilities				
Financial Liabilities				
Borrowings	15	349.28	184.27	183.08
Trade payables	18	645.31	508.33	421.37
Other financial liabilities	19	456.60	236.37	291.37
Provisions	16	5.13	5.24	5.45
Current tax liabilities (Net)	20	3.69	3.12	5.42
Other current liabilities	21	100.49	66.05	65.69
Total Current Liabilities		1,560.50	1,003.38	972.38
Total Liabilities		2,813.04	2,609.92	2,334.25
TOTAL EQUITY AND LIABILITIES		**5,957.89**	**5,413.55**	**4,836.41**
Accompanying notes forming part of the financial statements	1 to 40			

In terms of our report attached
For **Deloitte Haskins and Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Vijay Agarwal
Partner

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN - 00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO &
Company Secretary

Place : Gurgaon
Date : May 22, 2017

Statement of Profit and Loss

for the year ended March 31, 2017

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

	Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
I	Revenue from operations	22	4,197.82	3,944.97
II	Other income	23	46.11	36.99
III	**Total Income (I+II)**		**4,243.93**	**3,981.96**
IV	**Expenses**			
	Cost of materials consumed	24	1,839.17	1,749.61
	Purchases of stock-in-trade	24	49.34	35.04
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(9.36)	10.52
	Excise duty on sale of goods		314.79	305.55
	Employee benefits expense	25	341.90	300.46
	Finance costs	26	77.53	95.43
	Depreciation and amortisation expense	27	241.98	233.11
	Other expenses	28	840.51	736.42
	Total Expenses (IV)		**3,695.86**	**3,466.14**
V	**Profit before tax (III - IV)**		**548.07**	**515.82**
VI	**Tax Expense**	29		
	Current tax		116.49	107.51
	Deferred tax			
	MAT Credit		(58.89)	(19.27)
	Others		71.65	55.71
	Total tax expense		**129.25**	**143.95**
VII	**Profit for the period (V - VI)**		**418.82**	**371.87**
VIII	**Other comprehensive income**			
A	(i) Items that will not be reclassified to profit or loss			
	- Gain / (loss) of defined benefit obligation	14	(0.54)	(3.16)
	- Gain / (loss) on change in fair value of equity instrument	14	(4.22)	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	30	0.13	1.09
B	(i) Items that will be reclassified to profit or loss			

Statement of Profit and Loss (Contd.)

for the year ended March 31, 2017

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

	Particulars	Note No.	**For the year ended March 31, 2017**	For the year ended March 31, 2016
	- Effective portion of gain / (loss) on hedging instruments in a cash flow hedge	14	15.23	1.20
	(ii) Income tax relating to items that will be reclassified to profit or loss	30	(5.27)	(0.41)
	Total other comprehensive income for the period (A(i+ii) + B(i+ii))		5.33	(1.28)
IX	**Total comprehensive income forthe period (VII + VIII)**		**424.15**	**370.59**
	Earning per equity share	36		
	Basic (in ₹)		72.94	64.76
	Diluted (in ₹)		72.94	64.76
	Accompanying notes forming part of the financial statements	1 to 40		

In terms of our report attached
For **Deloitte Haskins and Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Vijay Agarwal
Partner

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN - 00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO &
Company Secretary

Place : Gurgaon
Date : May 22, 2017

Cash Flow Statement

for the year ended March 31, 2017

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	548.07	515.82
	Adjustments for:		
	Finance costs	77.53	95.43
	Interest Income	(4.16)	(4.94)
	Dividend on current investments	-	(0.18)
	Net gain on sale / discarding of property, plant and equipment	(0.40)	(3.14)
	Net gain on financial assets measured at FVTPL	(13.32)	(11.38)
	Provision for doubtful assets	0.16	0.52
	Depreciation and amortisation expense	241.98	233.11
	Property, plant and equipment discarded	2.15	0.18
	Net unrealised currency exchange fluctuation gains	(8.25)	(2.70)
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Trade receivables	(142.89)	106.42
	Inventories	(147.51)	23.69
	Loans (Current)	(3.12)	(3.48)
	Loans (Non-current)	(12.05)	4.29
	Other assets (Current)	(83.52)	(36.39)
	Other assets (Non-current)	18.54	(65.94)
	Adjustments for increase / (decrease) in operating liabilities :		
	Trade payables	136.98	86.96
	Provisions	3.57	1.68
	Other liabilities (Non-current)	5.38	-
	Other liabilities (Current)	46.28	(11.95)
	Cash generated from operations	**665.42**	**928.00**
	Income taxes paid	(115.92)	(108.73)
	Net cash generated by operating activities	**549.50**	**819.27**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of non-current investments	(25.01)	(0.06)
	Payment for purchase of mutual funds	(600.00)	(510.00)
	Proceeds from sale of mutual funds	627.55	452.49
	Purchase of current investments (others)	(24.40)	-
	Interest received	4.24	4.49

Cash Flow Statement (Contd.)

for the year ended March 31, 2017

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
	Bank balances not considered as cash and cash equivalents	40.86	(41.23)
	Payment for purchase of property, plant and equipment, capital work in progress and other intangible assets	(619.29)	(492.16)
	Proceeds from disposal of property, plant and equipment	3.78	8.27
	Dividend on current investments	-	0.03
	Net cash used in investing activities	**(592.27)**	**(578.17)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings (Non-current)	-	466.68
	Repayment of borrowings (Non-current)	(194.07)	(322.82)
	Net proceeds / (repayment) from borrowings (Current)	173.27	3.55
	Corporate dividend tax paid	(14.03)	(11.69)
	Dividends on equity share capital paid	(68.90)	(57.46)
	Finance costs paid	(85.95)	(96.07)
	Net cash used in financing activities	**(189.68)**	**(17.81)**
	Net increase / (decrease) in cash and cash equivalents	**(232.45)**	**223.29**
	Cash and cash equivalents at the beginning of the year	280.34	57.05
	Cash and cash equivalents at the end of the year	**47.89**	**280.34**
	Accompanying notes forming part of the financial statements 1 to 40		

In terms of our report attached
For **Deloitte Haskins and Sells**
Chartered Accountants

Vijay Agarwal
Partner

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN - 00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO &
Company Secretary

Place : Gurgaon
Date : May 22, 2017

Statement Of Changes In Equity

for the year ended March 31, 2017

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at April 1, 2015	58.44
Changes in equity share capital during the year	-
Balance at March 31, 2016	58.44
Changes in equity share capital during the year	-
Balance at March 31, 2017	58.44

(b) Other Equity

	Reserves and Surplus					Items of other comprehensive income		Total
	Capital reserve	General reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Effective portion of cash flow hedge	Equity instrument through other comprehensive income	
Balance at April 1, 2015	219.19	523.54	10.48	-	1,690.72	(0.21)	-	2,443.72
Profit for the year	-	-	-	-	371.87	-	-	371.87
Other comprehensive income for the year, net of income tax	-	-	-	-	(2.07)	0.79	-	(1.28)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**369.80**	**0.79**	**-**	**370.59**
Payment of dividend (Rs 10/- per share)	-	-	-	-	(57.42)	-	-	(57.42)
Tax on Dividend	-	-	-	-	(11.70)	-	-	(11.70)
Transfer to debenture redemption reserve	-	-	-	50.00	(50.00)	-	-	-
Balance at March 31, 2016	**219.19**	**523.54**	**10.48**	**50.00**	**1,941.40**	**0.58**	**-**	**2,745.19**
Profit for the year	-	-	-	-	418.82	-	-	418.82
Other comprehensive income for the year, net of income tax	-	-	-	-	(0.41)	9.96	(4.22)	5.33
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**418.41**	**9.96**	**(4.22)**	**424.15**
Payment of dividend (Rs 12/- per share)	-	-	-	-	(68.90)	-	-	(68.90)
Tax on Dividend	-	-	-	-	(14.03)	-	-	(14.03)
Balance at March 31, 2017	**219.19**	**523.54**	**10.48**	**50.00**	**2,276.88**	**10.54**	**(4.22)**	**3,086.41**
Accompanying notes forming part of the financial statements		1 to 40						

In terms of our report attached
For **Deloitte Haskins and Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Vijay Agarwal
Partner

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN - 00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO &
Company Secretary

Place : Gurgaon
Date : May 22, 2017

Notes to the Financial Statements

for the year ended March 31, 2017

(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 companies Act, 2013 ("the 2013 Act"). 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 C-8, Commercial Complex, Safdarjung Development Area, New Delhi – 110 016. The Company's parent and ultimate holding company is KAMA Holdings Limited.

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

The financial statements were approved for issue in accordance with a resolution of the directors on May 22, 2017."

B SIGNIFICANT ACCOUNTING POLICIES

1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the 2013 Act.

Upto the year ended March 31, 2016, the Company prepared the financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the 2013 Act.

These are the Company's first Ind AS financial statements. The date of transition to the Ind AS is April 1, 2015. Refer Note 39 for details of first-time adoption exceptions and exemptions availed by the Company.

2 Basis of preparation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

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, regardless of whether that price is directly observable or estimated using another valuation technique.

The principal accounting policies are set out below.

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months.

3 Property, plant and equipment (PPE)

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

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

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

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

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

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

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

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

4 Depreciation

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

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

Roads	40-50 years
Buildings	30-60 years
Plant and machinery	2-30 years
Furniture and fixtures	15 years
Office equipment	3-20 years
Vehicles	4 years

Freehold land is not depreciated

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

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

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

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 considering the terms of the business purchase agreements are as follows:

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

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

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

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

6 Research and development expenditure

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

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

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

7 Goodwill

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

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

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized 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

As at each balance sheet date, the carrying amount of cash generating units / assets is tested for impairment so as to determine:

(a) the provision for impairment loss, if any, required;

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

Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

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

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

(b) the reversal, if any, required of impairment loss recognized in previous periods.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized 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

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating Leases as lessee:

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

Finance leases as lessee:

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

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

10. Borrowing costs

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

Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

Interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are expensed in the period in which they occur.

11 Foreign Currencies

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR/ ₹), which is the Company's functional and presentation currency.

b) Transaction and balances

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

(i) 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 & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

(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 charged off or credited to profit & loss account.

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 and stores & spares - 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.

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

(c) By products - At estimated realisable value Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

13 Provisions and Contingent Liabilities

Provisions

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

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

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

Contingent liability

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

14 Revenue recognition

a) Sale of goods

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sales of products is inclusive of excise duty and net of value added tax / sales tax.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the goods nor it exercises effective control over the goods and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and cash discount. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales arrangements.

b) Interest and dividend income

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

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

15 Taxation

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

a) Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e. in other comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. 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.

Deferred tax assets/liabilities are recognised for all taxable temporary differences, except:

(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;

Deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

c) Minimum Alternate Tax (MAT)

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

16 Government grants

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

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

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

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

17 Employee benefits

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

In case of provident fund administered through Regional Provident Fund Commissioner, the Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company's contributions paid / payable during the year to provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund and Employees' State Insurance Corporation are recognised in the Statement of Profit and Loss as an expense when employees have rendered services entitling them to contributions. Provision for gratuity, compensated absences, provident fund for certain category of employees administered through a recognised provident fund trust and long term retention pay are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss. The cost of providing these benefits is determined using the projected unit credit method.

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. It is included in retained earnings in the statement of changes in equity and in the balance sheet.

18 Earning Per Share

Basic earning 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 earning per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

19 Cash and cash equivalents

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

20 Financial instruments

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

A) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

a) At amortised cost

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

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

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

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

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

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

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

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

The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income.

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

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

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

Investment in mutual funds are measured at fair value through profit or 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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, security deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on financial assets that do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date: ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

a) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount until the asset meets write-off criteria.

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. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

Equity instrument

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

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

21 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss.

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

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

Cash flow hedges

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

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in the statement of profit or loss. 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 sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in other comprehensive income remains separately in other equity until the forecast transaction occurs or the foreign currency firm commitment is met.

22 Fair value measurement

The Company measures 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 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

23 Applicability of New and Revised Ind AS

Ind AS 7 has been amended in March 2017 to require an entity to enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Company is evaluating the requirements of the amendment and its effect on the financial statements. Further, the amendment to Ind AS 102 provides guidance to measurement of cash settled, modification of cash settled awards and awards that include a net settlement feature in respect of withholding taxes. This amendment is not applicable to the Company.

C. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Actual results may differ from the estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

(i) Significant accounting judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the financial statements:

(a) Contingent Liabilities

In ordinary course of business, the Company faces claims by various parties. The Company assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable.

(ii) Significant estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Defined benefit plans/ Other Long term employee benefits

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

The parameter most subject to change is the discount rate. The management considers the interest rates of government securities based on expected settlement period of various plans. Further details about various employee benefit obligations are given in Note 34.

(b) Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer note 38 for further disclosures of estimates and assumptions on fair valuation.

(c) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. The Company establishes provision, based on reasonable estimates. The amount of such provisions is based on various factors such as experience of previous tax audits and differing interpretations of tax regulation by the taxable entity and the responsible tax authority. Such differences in interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(d) Useful lives of Property, plant and equipment and Intangible assets

The Company reviews the estimated useful lives at the end of each reporting period

2 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Freehold Land	317.81	317.42	319.86
Roads	43.65	41.86	37.13
Buildings	517.77	459.15	454.25
Plant & Equipment	2,603.14	2,345.52	2,168.57
Furniture & Fixtures	15.66	13.93	12.68
Office Equipment	20.06	16.64	11.98
Vehicle	16.70	15.08	15.24
	3,534.79	**3,209.60**	**3,019.71**
Capital Work in Progress	**271.83**	**130.22**	**118.15**

	Freehold Land	Roads	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicle	Total
Cost or Deemed Cost								
Balance at April 1, 2015	**319.86**	**37.13**	**454.25**	**2,168.57**	**12.68**	**11.98**	**15.24**	**3,019.71**
Additions (note v & viii)	-	5.72	19.84	366.88	2.78	9.01	5.59	409.82
Disposals	(2.44)	-	-	(2.99)	(0.07)	(0.16)	(0.86)	(6.52)
Balance at March 31, 2016	**317.42**	**42.85**	**474.09**	**2,532.46**	**15.39**	**20.83**	**19.97**	**3,423.01**
Additions (note v & viii)	0.39	3.53	75.30	454.04	3.41	9.38	8.75	554.80
Disposals	-	-	(1.78)	(9.61)	(0.01)	(0.72)	(2.36)	(14.48)
Balance at March 31, 2017	**317.81**	**46.38**	**547.61**	**2,976.89**	**18.79**	**29.49**	**26.36**	**3,963.33**
Accumulated depreciation and impairment								
Balance at April 1,2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation expenses (note v & viii)	-	0.99	14.94	187.76	1.48	4.23	5.24	214.64
Disposals / adjustments	-	-	-	(0.82)	(0.02)	(0.04)	(0.35)	(1.23)
Balance at March 31, 2016	**-**	**0.99**	**14.94**	**186.94**	**1.46**	**4.19**	**4.89**	**213.41**
Depreciation expenses (note v & viii)	-	1.74	15.73	193.35	1.67	5.79	5.79	224.07
Disposals / adjustments	-	-	(0.83)	(6.54)	-	(0.55)	(1.02)	(8.94)
Balance at March 31, 2017	**-**	**2.73**	**29.84**	**373.75**	**3.13**	**9.43**	**9.66**	**428.54**
Carrying Amount								
Balance at April 1, 2015	**319.86**	**37.13**	**454.25**	**2168.57**	**12.68**	**11.98**	**15.24**	**3019.71**
Additions	-	5.72	19.84	366.88	2.78	9.01	5.59	409.82
Disposals	(2.44)	-	-	(2.17)	(0.05)	(0.12)	(0.51)	(5.29)
Depreciation expenses	-	0.99	14.94	187.76	1.48	4.23	5.24	214.64
Balance at March 31, 2016	**317.42**	**41.86**	**459.15**	**2,345.52**	**13.93**	**16.64**	**15.08**	**3,209.60**
Additions	0.39	3.53	75.30	454.04	3.41	9.38	8.75	554.80
Disposals	-	-	(0.95)	(3.07)	(0.01)	(0.17)	(1.34)	(5.54)
Depreciation expenses	-	1.74	15.73	193.35	1.67	5.79	5.79	224.07
Balance at March 31, 2017	**317.81**	**43.65**	**517.77**	**2,603.14**	**15.66**	**20.06**	**16.70**	**3,534.79**

Notes:

(i) Borrowing cost capitalised to capital work in progress during the year ₹ 11.85 Crores (2016: 2.01 crores).

(ii) The deed of assignment in respect of freehold at Manali, Chennai has been executed in respect of 135.02 acres (2016: 135.02 acres, 2015: 135.02 acres). In addition to aforesaid extent, 1.47 acres were handed over to SRF limited under a land delivery receipt. During the previous year the Company has sold 1.03 acres of land. Thus, the Company is in possession of 135.46 acres of industrial land at Manali, Chennai.

(iii) Conveyancing of buildings and other superstructures located at Company's plant at Malanpur in the state of Madhya Pradesh including immovable machinery is linked to the Stamp duty matter (Refer to note 31).

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

(v) Capital expenditure incurred during the year includes ₹ 65.27 Crores (2016 - ₹ 22.30 crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 40 (a) below.

(vi) Capital work in progress includes pre-operative expenses of ₹ 6.35 crores (2016: 4.21 crores, 2015: 2.15 crores)

(vii) Refer to note 15.1 for information on PPE pledged as security by the Company.

(viii) Refer to note 40 (c)

(ix) Refer to note 31 (e) for information on PPE charged as security by the Company

(x) The Company has opted to use fair value as deemed cost for its PPE for which the fair value of such PPE as on April 1, 2015 is ₹ 2985.78 crores. The carrying amount of such assets as on April 1, 2015 reported under previous GAAP was ₹ 2,936.29 crores

3 GOODWILL

	As at March 31 , 2017	As at March 31 , 2016	As at April 1 , 2015
Cost or deemed cost	1.41	1.41	1.41
Accumulated impairment losses	-	-	
	1.41	**1.41**	**1.41**
Cost or deemed cost			
Balance at April 1,2015	1.41		
Additions	-		
Disposals	-		
Balance at March 31,2016	1.41		
Additions	-		
Disposals	-		
Balance at March 31,2017	1.41		
Accumulated Impairment losses			
Balance at April 1,2015	-		
Additions	-		
Disposals	-		
Balance at March 31,2016	-		
Additions	-		
Disposals	-		
Balance at March 31,2017	-		

Allocation of goodwill to cash generating units (CGU):

Goodwill has been allocated for impairment testing purposes to the following cash generating units.
-Engineering plastics business
-Industrial yarn business

For impairment testing, the carrying amount of goodwill was allocated to cash generating units as follows:

	As at March 31 , 2017	As at March 31 , 2016	As at April 1 , 2015
Engineering plastics units	0.79	0.79	0.79
Industrial yarn unit	0.62	0.62	0.62
	1.41	**1.41**	**1.41**

Engineering plastics units

The recoverable amount of this CGU is determined based on a value in use calculation which use cash flow projections based on financial budget approved by the directors of the Company covering a five year period and a discount rate of 10% per annum (2016: 10%, 2015: 10%). Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flow beyond the five year period have been extrapolated using Nil (2016: Nil, 2015: Nil) growth rate.
Based on the above impairment testing no impairment losses have been recognised

Industrial yarn unit

The recoverable amount of this CGU is determined based on a value in use calculation which use cash flow projections based on financial budget approved by the directors of the Company covering a five year period and a discount rate of 10% per annum (2016: 10%, 2015: 10%). Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flow beyond the five year period have been extrapolated using Nil (2016: Nil, 2015: Nil) growth rate.
Based on the above impairment testing no impairment losses have been recognised

4 OTHER INTANGIBLE ASSETS

	As at March 31 , 2017	As at March 31 , 2016	As at April 1 , 2015
Trade Marks/Brands	67.59	71.73	71.71
Technical Knowhow	0.84	1.91	2.98
Software	7.83	8.70	9.21
Others	4.49	11.92	17.73
	80.75	**94.26**	**101.63**

	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost or Deemed Cost					
Balance at April 1,2015	71.71	2.98	9.21	17.73	101.63
Additions / Adjustments*	4.03	-	5.92	1.15	11.10
Disposals	-		-	-	
Balance at March 31, 2016	**75.74**	**2.98**	**15.13**	**18.88**	**112.73**
Additions / Adjustments*	(0.53)	-	5.07	(0.14)	4.40
Disposals	-	-	-	-	-
Balance at March 31, 2017	**75.21**	**2.98**	**20.20**	**18.74**	**117.13**
Accumulated amortisation and impairment					
Balance at April 1,2015	-	-	-	-	-
Amortisation expenses	4.01	1.07	6.43	6.96	18.47
Disposals	-	-	-	-	-

	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Balance at March 31, 2016	**4.01**	**1.07**	**6.43**	**6.96**	**18.47**
Amortisation expenses	3.61	1.07	5.94	7.29	17.91
Disposals	-	-	-	-	-
Balance at March 31, 2017	**7.62**	**2.14**	**12.37**	**14.25**	**36.38**
Carrying Amount					
Balance at April 1,2015	71.71	2.98	9.21	17.73	101.63
Additions	4.03	-	5.92	1.15	11.10
Disposals	-	-	-	-	-
Amortisation expenses	4.01	1.07	6.43	6.96	18.47
Balance at March 31, 2016	**71.73**	**1.91**	**8.70**	**11.92**	**94.26**
Additions	(0.53)	-	5.07	(0.14)	4.40
Disposals	-	-	-	-	-
Amortisation expenses	3.61	1.07	5.94	7.29	17.91
Balance at March 31,2017	**67.59**	**0.84**	**7.83**	**4.49**	**80.75**

* Refer to note 40 (c)

5 INVESTMENTS

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
Investment in equity instruments			
Subsidiary companies	83.60	83.60	83.60
Others	0.12	4.33	0.05
Other Investments	25.00	-	-
	108.72	**87.93**	**83.65**
Current			
Investment in equity instruments			
Others	-	-	4.22
Investment in mutual funds	146.36	160.60	91.56
Other Investments	24.40	-	-
	170.76	**160.60**	**95.78**
Aggregate value of unquoted investments	133.12	87.93	87.87
Aggregate value of unquoted mutual funds	146.36	160.60	91.56
Aggregate value of diminution other than temporary, in value of investments	4.34	0.12	0.46

5.1 Investment in subsidiaries

Break-up of investment in subsidiaries (carrying amount at cost)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number	**Amount**	Number	Amount	Number	Amount
Unquoted investments (Non-current)						
Equity shares of USD($) 1 each fully paid up of SRF Fluor Private Limited (A wholly owned subsidiary)	-	-	-	-	45,002	0.24
Less: Provision for diminution in value						(0.24)
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	4,000,000	4.00

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number	Amount	Number	Amount	Number	Amount
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	128,920	79.60
Equity shares of ₹ 10 each fully paid up of SRF Energy Limited (A wholly owned subsidiary)	-	-	-	-	50,000	0.05
Less : Provision for diminution in value						(0.05)
Equity shares of ₹ 10 each fully paid up of SRF Fluorochemicals Limited (A wholly owned subsidiary)	-	-	-	-	50,000	0.05
Less : Provision for diminution in value						(0.05)
		83.60		**83.60**		**83.60**

5.2 Other equity instruments

Investment in equity instruments at fair value through other comprehensive income

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number	Amount	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 : Diminution in value		(4.22)		-		
Equity Share of ₹ 10 Each Vaayu Renewable Energy (Tapti) Private Limited	50,000	0.05	50,000	0.05	50,000	0.05
Equity Shares of ₹ 10 Each Suryadev Alloys & Power Private Limited	4,000	0.06	4,000	0.06	-	
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	670,000	0.12	670,000	0.12	670,000	0.12
Less : Diminution in value		(0.12)		(0.12)		(0.12)
Class A Equity shares of ₹ 0.10 each fully paid up of OPGS Power Gujarat Private Limited	475,000	0.01		-		-
		0.12		4.33		0.05
Unquoted investments (Current)						
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	-	-	-	-	4,221,535	4.22
		-		**-**		**4.22**

5.3 Investment in mutual funds

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number	Amount	Number	Amount	Number	Amount
Unquoted (Current)						
Investments at Fair Value Through Profit and Loss						
ICICI Prudential FMP Series 73 - 392 Days Plan F Regular Plan Cumulative	-	-	-	-	5,000,000	5.50
SBI Debt Fund Series- A 11 385 Days - Regular - Growth	-	-	-	-	10,000,000	10.92
ICICI Prudential Savings Fund-Regular Plan-Growth	-	-	-	-	3,614,674	75.14
ICICI Prudential P1543 Saving Fund-Growth Plan	3,612,365	88.34	3,612,365	81.14	-	-
Religare Invesco Credit Opportunities Fund-Growth Plan	312,529	58.02	312,529	54.06	-	-
Kotak Treasury Advantage Fund-Growth Plan	-	-	10,516,707	25.40	-	-
		146.36		**160.60**		**91.56**

5.4 Other Investments at amortised cost

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number	Amount	Number	Amount	Number	Amount
Non Current						
Non convertible debentures of ₹1,00,000 each of Reliance capital Limited	2,500	25.00	-	-	-	-
		25.00	-	-	-	-
Current						
Commercial papers of Reliance Infrastructure Limited		24.40	-	-	-	-
		24.40	**-**	**-**	**-**	**-**

6 LOANS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non- current			
Loans to Employees	6.39	7.02	6.11
Security Deposits	35.64	22.31	27.40
Others			
- Considered Good	-	0.65	0.76
- Considered Doubtful	0.15	0.15	0.10
Less : Provision for Doubtful Loans	(0.15)	(0.15)	(0.10)
	42.03	**29.98**	**34.27**
Current			
Loans to Employees	5.64	6.34	4.80
Security Deposits	6.41	2.78	0.88
Others			
- Considered Good	-	-	0.03
- Considered Doubtful	2.74	2.81	2.97
Less : Provision for Doubtful Loans	(2.74)	(2.81)	(2.97)
	12.05	**9.12**	**5.71**

7 OTHER FINANCIAL ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current			
Derivatives designated and effective as hedging instruments carried at fair value through Profit & Loss			
- Foreign currency forward contracts designated in hedge accounting relationships	5.07	0.11	2.40
Derivatives designated and effective as hedging instruments carried through other comprehensive income			
- Foreign currency forward contracts designated in hedge accounting relationships	11.30	2.58	1.29
- Interest rate swaps designated in hedge accounting relationships	4.80	-	-

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Recoverable from Related Parties			
- Considered Good	6.11	13.46	12.10
- Considered Doubtful	-	-	0.07
Less: Provision for doubtful loan	-	-	(0.07)
Claims recoverable	34.06	38.29	0.01
Others	1.31	1.39	1.39
	62.65	**55.83**	**17.19**

8 OTHER ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non-Current			
Capital Advances	33.79	70.68	9.37
Prepaid expenses	0.10	0.15	0.14
CENVAT/Service tax/Sales tax recoverable	19.59	4.80	4.82
Claims recoverable	6.23	0.85	0.85
Prepaid lease*	92.83	94.44	90.12
Others	0.40	0.56	0.24
	152.94	**171.48**	**105.54**
Current			
Prepaid expenses	6.89	8.07	8.20
CENVAT/Service tax/Sales tax recoverable	107.54	69.40	61.86
Claims recoverable	63.48	55.54	16.09
Deposits with customs and excise authorities	7.64	3.02	1.72
Advance to suppliers			
- Considered Good	33.53	41.49	15.83
- Considered Doubtful	-	-	0.05
Less : Provision for Doubtful Advances	-	-	(0.05)
Prepaid lease*	1.35	1.35	1.34
Others	1.08	2.91	0.97
	221.51	**181.78**	**106.01**

*The execution of lease deed of land in respect of 911336 sq. mtrs. (March 31, 2016: 911336 sq. mtrs. , April 1, 2015: 904910 sq. mtrs.) of leasehold land allotted to the Company by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

9 INVENTORIES

(Lower of cost and net realisable value)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Raw material	367.19	246.93	264.02
Stock in progress	75.52	54.44	76.54
Finished goods	149.01	159.96	149.03
Stores and spares	133.89	116.00	112.08
Traded goods	1.87	2.64	1.99
	727.48	**579.97**	**603.66**
Included above, goods-in-transit:			
Raw material	144.41	103.78	100.24
Stock in progress	1.04	1.07	2.09

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Finished goods	8.96	18.96	11.06
Stores and spares	0.07	0.19	0.17
Traded goods		-	0.54
	154.48	**124.00**	**114.10**

Notes

(i) The cost of inventories recognised as an expense during the year is ₹ 3191.34 Crores (2016: ₹ 3346.29 crores)

(ii) The cost of inventories recognised as an expense includes ₹ 1.98 crores (2016: ₹ 0.92 crores) in respect of write-downs of inventory to net realisable value.

(iii) Refer to Note 15.1 for information on inventories pledged as security by the Company

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

10 TRADE RECEIVABLES

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured, considered good	514.59	371.68	478.55
Unsecured, considered doubtful	1.50	2.06	2.97
Less: Allowance for doubtful debts	(1.50)	(2.06)	(2.97)
	514.59	**371.68**	**478.55**

Notes

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

(ii) Age of receviables:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Within the credit period	468.33	259.27	300.26
1 to 180 days past due	42.92	111.75	178.23
More than 180 days past due	4.84	2.72	3.03
	516.09	**373.74**	**481.52**

There are no major customer who represent more than 10% of the total balances of trade receivables.

11 CASH AND CASH EQUIVALENTS

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with Banks	39.27	180.75	5.06
Current accounts			
Exchange Earners Foreign Currency (EEFC) accounts	8.04	6.53	1.63
Deposit accounts with maturity of three months or less	-	92.60	50.00
Cash in hand	0.58	0.46	0.36
	47.89	**280.34**	**57.05**

12 OTHER BANK BALANCES

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Earmarked Balances			
- Margin money	2.17	3.47	1.86
- Unclaimed dividend accounts	6.32	6.20	6.24
Other deposit accounts			
-Deposit accounts with maturity beyond three months upto twelve months	-	39.68	-
	8.49	**49.35**	**8.10**

13 SHARE CAPITAL

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Authorised share capital:			
12,00,00,000 (Previous Year - 12,00,00,000) Equity shares of ₹ 10 each	120.00	120.00	120.00
10,00,000 (Previous Year - 10,00,000) Preference shares of ₹ 100 each	10.00	10.00	10.00
12,00,000 (Previous Year - 12,00,000) Cumulative Preference shares of ₹ 50 each	6.00	6.00	6.00
2,00,00,000 (Previous Year - 2,00,00,000) Cumulative Preference shares of ₹ 100 each	200.00	200.00	200.00
	336.00	**336.00**	**336.00**
Issued share capital:			
6,14,77,255 (Previous Year - 6,14,77,255) Equity Shares of ₹ 10 each	61.48	61.48	61.48
Subscribed capital:			
5,74,20,500 (Previous Year - 5,74,20,500) Equity Shares of ₹ 10 each fully paid up	57.42	57.42	57.42
Add:Forfeited shares - Amount originally paid up	1.02	1.02	1.02
	58.44	**58.44**	**58.44**

13.1 Fully paid equity shares

	Number of shares	Amount
Balance at April 1, 2015	57,420,500	57.42
Add / Less: Movement during the year	-	-
Balance at March 31, 2016	57,420,500	57.42
Add / Less: Movement during the year	-	-
Balance at March 31, 2017	**57,420,500**	**57.42**

The Company has bought back Nil equity shares in aggregate in the last five financial years.

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, 2017, the amount of interim dividend recognised as distributions to equity shareholders was ₹ 12 per share (2016 : ₹ 10 per share, 2015: ₹ 10 per share).

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

13.2 Details of shares held by the holding company

Number of fully paid ordinary shares	As at March 31, 2017
As at March 31, 2017	
KAMA Holdings Limited, the Holding Company	30,049,000
As at March 31, 2016	
KAMA Holdings Limited, the Holding Company	30,049,000
As at April 1, 2015	
KAMA Holdings Limited, the Holding Company	30,000,000

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

Class of shares / Name of shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid equity shares						
Kama Holdings Limited	3,00,49,000	52.33%	3,00,49,000	52.33%	3,00,00,000	52.25%
Amansa Holding Private Limited	37,29,559	6.50%	31,83,780	5.54%	23,70,228	4.13%

14 OTHER EQUITY

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
General reserve	523.54	523.54	523.54
Retained earnings	2,276.88	1,941.40	1,690.72
Cash flow hedging reserve	10.54	0.58	(0.21)
Capital redemption reserve	10.48	10.48	10.48
Capital reserve	219.19	219.19	219.19
Debenture redemption reserve	50.00	50.00	-
Reserve for equity instruments through other comprehensive income	(4.22)	-	-
	3,086.41	**2,745.19**	**2,443.72**

14.1 General reserve

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of year	523.54	523.54
Movement	-	-
Balance at end of year	**523.54**	**523.54**

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

14.2 Retained earnings

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of year	1,941.40	1,690.72
Profit for the year	418.82	371.87
Other comprehensive income arising from remeasurement of defined benefit obligation*	(0.41)	(2.07)
Payment of dividend on equity shares	(68.90)	(57.42)
Corporate tax on dividend	(14.03)	(11.70)
Transfer to Debenture Redemption Reserve	-	(50.00)
Balance at end of year	**2,276.88**	**1,941.40**

The amount that can be distributed as dividend by the Company to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. The amounts reported above are not distributable in entirety.

* net of income tax of ₹ 0.13 crore (2016: ₹ 1.09 crores)

14.3 Cash flow hedging reserve

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of year	0.58	(0.21)
Recognised / (released) during the year	15.23	1.20
Income tax related to above	(5.27)	(0.41)
Balance at end of year	**10.54**	**0.58**

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, 2017	As at March 31, 2016
Balance at beginning of year	10.48	10.48
Movement	-	-
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.

14.5 Capital reserve

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of year	219.19	219.19
Movement	-	-
Balance at end of year	**219.19**	**219.19**

14.6 Debenture redemption reserve

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of year	50.00	-
Transfer from Retained earnings	-	50.00
Balance at end of year	**50.00**	**50.00**

The Company has issued non-convertible debentures in FY 2014-15 and as per the provisions of the 2013 Act, it is required to create debenture redemption reserve out of the profits of the Company available for payment of dividend.

14.7 Reserve for equity instruments through other comprehensive income

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of year	-	
Net fair value gain on investment in equity instruments at FVTOCI	(4.22)	-
Balance at end of year	**(4.22)**	**-**

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

15 BORROWINGS

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non-current			
Secured			
2,000 Nos. (2016: 2,000 Nos. 2015: 2,000), 9.8%, listed, secured Redeemable Non-convertible Debentures of ₹ 10 lakhs each [1]*	199.92	199.71	199.50
Term Loans from banks [2]*	827.02	1,023.84	1,103.24
Term Loans from others [3]*	257.00	261.91	-
Less: Current maturities of non-current borrowings*	(348.91)	(182.05)	(214.34)
	935.03	**1,303.41**	**1,088.40**
* Above amount of borrowings are net of upfront fees paid ₹ 4.95 Crores (March 31, 2016 - ₹ 7.11 Crores, April 1, 2015 - ₹ 7.52 Crores)			
Unsecured			
Deferred payment liabilities	24.97	37.68	46.75
	24.97	**37.68**	**46.75**
	960.00	**1,341.09**	**1,135.15**
Current			
Secured			
Cash credits from banks [4(i)]	10.12	18.92	27.68
Term loans from banks [4 (ii)]	183.66	99.21	46.85
	193.78	**118.13**	**74.53**
Unsecured			
Term loans from banks*	155.50	66.14	108.55
	155.50	**66.14**	**108.55**
	349.28	**184.27**	**183.08**

*Includes Nil (As on March 31, 2016 - Nil and As on April 1, 2015 ₹ 50.00 Crores) for Commercial Paper issued by the Company. The maximum amount due during the year is ₹ 125.00 Crores (2015-16 - ₹ 150.00 Crores and 2014-15 ₹ 125.00 Crores)

There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

15.1 Details of security of the secured loans:

A. As at March 31, 2017 and March 31, 2016

	Loan	As at March 31, 2017	As at March 31, 2016	Security
1	2,000 (Previous Year –2,000), 9.80%, Listed, Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each	200.00	200.00	Debentures are secured by legal mortgage in English form on certain immoveable properties of the Company situated in Gujarat. In addition, these debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Pantnagar, Kashipur in the State of Uttarakhand and Dahej in the State of Gujarat (excluding certain assets) and an equitable mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.
	Terms and conditions			
	a) Redeemable at face value in one single installment at the end of 3rd year from the date of allotment.			
	b) Coupon is payable Semi-annually on 25th March and 25th September every year.			
2	(i) Term loan from Banks	745.50	915.57	
				(a)(i) Out of the loans as at 2(i), loans aggregating to ₹ 745.50 Crores (Previous Year – ₹ 480.52 Crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur and Pantnagar in the State of Uttarakhand.
				Out of the loans as at 2(i)(a)(i), loans aggregating to ₹ 518.73 Crores (Previous Year – ₹ 50.00 Crores) are additionally secured by hypothecation of Company's moveable properties both present and future, at Dahej in the State of Gujarat (save and except certain assets).

Loan	**As at March 31, 2017**	As at March 31, 2016	Security
			Out of the loans as at 2(i)(a)(i), loans aggregating to ₹ 226.77 Crores (Previous Year – ₹ 430.52 Crores) are to be additionally secured by hypothecation of Company's moveable properties both present and future, at Dahej in the State of Gujarat (save and except certain assets).
			(a)(ii) Out of the loans as at 2(i)(a)(i) loans aggregating to ₹ 546.48 Crores (Previous Year – ₹ 265.17 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, Jhiwana in the State of Rajasthan, Kashipur in the State of Uttarakhand and Malanpur in the State of Madhya Pradesh (save and except superstructures).
			Out of the loans as at 2(i)(a)(i) loans aggregating to ₹ 149.02 Crores (Previous Year – ₹ Nil 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, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand
			Out of the loans as at 2(i)(a)(i) loans aggregating to ₹ 50.00 Crores (Previous Year – ₹ Nil 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
			Out of the loans as at 2(i)(a)(ii), the term loans aggregating to:
			a) ₹ 76.02 Crores (Previous Year – ₹ 150.99 Crores) are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Gummidipoondi (leasehold land) in the State of Tamil Nadu, Special Economic Zone, Indore in the State of Madhya Pradesh and at Pantnagar in the state of Uttarakhand.
			b) ₹ Nil Crores (Previous Year – ₹ 165.35 Crores) are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).

	Loan	As at March 31, 2017	As at March 31, 2016	Security
				(b) Out of the loans as at 2(i), loans aggregating to ₹ Nil Crores (Previous Year – 435.05 Crores) are to be secured by hypothecation of Company's moveable properties, both present and furture, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur and Pantnagar in the State of Uttarakhand, Dahej in the State of Gujarat (save and except certain assets) and equitable mortgage of Company's immoveable properties, both present and future, situated at Viralimalai and Gummidipoondi (freehold) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.
				(c) Out of the loans as at 2(i), loans aggregating to ₹ 50 Crores (Previous Year – ₹ 50.00 Crores) are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
				(d) Out of the loans as at 2(i), loans aggregating to ₹ Nil Crores (Previous Year –Rs 282.93 Crores) are to be additionally secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).
	(ii) Term loans from banks	84.23	112.44	Term loans from banks aggregating to ₹ 84.23 Crores (Previous Year – ₹ 112.44 Crores) are secured by hypothecation of Company's certain moveable assets situated at Dahej in the State of Gujarat.
3	Term loans from others	259.16	264.56	Loan of ₹ 259.16 Crores (Previous Year – ₹ 264.56 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) Cash credit/working capital demand loans	10.12	18.92	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh, Kashipur and Pantnagar in the State of Uttarakhand.
	(ii) Term loan from banks	183.66	99.21	
		1482.67	**1610.70**	

Such hypothecation and equitable mortgage rank pari-passu between term loans from banks / other (save and except hypothecation of certain movable assets at Dahej in the State of Gujarat in favour of a bank as at 2(ii) above and hypothecation and equitable mortgage of certain moveable and immovable assets at Dhar in the State of Madhya Pradesh in favour of others as at 3 above)

15.1 Details of security of the secured loans:

B. As at April 1, 2015

	Loan	As at April 1, 2015	Security
1	2,000 (Previous Year – Nil), 9.80%, Listed, Secured Redeemable Non-Convertible Debentures of ₹ 10 Crores each	200.00	Debentures are secured by legal mortgage in English form on certain immoveable properties of the Company situated in Gujarat. In addition, these debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Pantnagar, Kashipur in the State of Uttarakhand and Dahej in the State of Gujarat (excluding certain assets) and an equitable mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.
	Terms and conditions		
	a) Redeemable at face value in one single installment at the end of 3rd year from the date of allotment.		
	b) Coupon is payable Semi-annually on 25th March and 25th September every year.		
2	(i) Term loan from Banks	985.32	Term loans from banks are secured by:-
			a) Hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh and Kashipur in the State of Uttarakhand.
			Out of the loans as at 2(i), term loans aggregating to ₹ 704.21 Crores are additionally secured by hypothecation of Company's moveable properties both present and future, at Pantnagar in the State of Uttarakhand.
			Out of the loans as at 2(i), term loans aggregating to ₹ 281.12 Crores are to be further secured by hypothecation of Company's moveable properties, both present and furture, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh, Kashipur and Pantnagar in the State of Uttarakhand.
			b) Equitable Mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.
			Term Loans aggregating to ₹ Nil Crores are additionally secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Indore in the State of Madhya Pradesh.
			Term Loan of ₹ 538.03 Crores is additionally secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Malanpur (save and except superstructure) in the State of Madhya Pradesh and Manali in the State of Tamil Nadu.

	Loan	As at April 1, 2015	Security
			Out of the loans as at 2(i), the term loans aggregating to: a) ₹ 223.61 Crores are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Gummidipoondi (leasehold land) in the State of Tamil Nadu.
			b) ₹ 223.61 Crores are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Indore in the State of Madhya Pradesh.
			c) ₹ 447.29 Crores are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).
			d) ₹ 10.00 Crores is to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Manali in the State of Tamil Nadu.
			e) ₹ 223.61 Crores are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Pantnagar in the State of Uttarakhand.
			Out of the loans as at 2(i), term loan of ₹ 437.29 Crores are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi (freehold) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur in the State of Madhya Pradesh (save and except superstructures) and Kashipur in the State of Uttarakhand.
	(ii) Term loans from banks	124.94	Term loans from banks aggregating to ₹ 124.94 Crores are secured by hypothecation of Company's moveable properties, both present and future, situated at Dahej in the State of Gujarat.
3	Term loans from others	-	-
4	(i) Cash credit/working capital demand loans	27.68	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh, Kashipur and Pantnagar in the State of Uttarakhand.
	(ii) Term loan from banks	46.85	
		1384.79	

Such hypothecation and equitable mortgage rank pari-passu between term loans from banks / other (save and except hypothecation of certain movable assets at Dahej in the State of Gujarat in favour of a bank as at 2(ii) above)

15.2 Terms of repayment of loan

NON CURRENT BORROWINGS

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2018	Up to March 31, 2019	Up to March 31, 2020	From 2020 to 2026
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	9.80%	200.00	-	-	-
Rupee term loans	Half yearly payments	9.30% to 12.10%	13.06	9.81	4.97	43.50
	Quarterly Payments	8.50%	50.00	-	-	-
Foreign currency term loans	Half yearly instalments	Libor plus interest rate spread ranging from 1.30 % to 2.20%	54.71	121.65	160.54	254.86
	Annual Instalments	Libor plus interest rate 1.60%	32.40	32.40	-	-
	Payable in one instalment on maturity	Libor plus interest rate spread of 2.25%	-	149.02	161.98	-
			350.17	**312.88**	**327.49**	**298.36**

CURRENT BORROWINGS

Current borrowings are payable in one installment within one year. For short term borrowings in foreign currency, interest rates are LIBOR plus interest rate spread ranging from -0.10% to 0.45%. For rupee denominated short term loans taken during the year interest rate is at 6.26% to 9.05%

16 PROVISIONS

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-Current			
Provision for employee benefits			
Provision For Leave encashment	21.05	17.17	15.27
Provision For Retention pay	1.20	1.40	1.42
	22.25	**18.57**	**16.69**
Current			
Provision for employee benefits			
Provision For Leave encashment	4.12	3.58	3.53
Provision For Retention pay	1.01	1.66	1.92
	5.13	**5.24**	**5.45**

17 DEFERRED TAX BALANCES

The following is the analysis of deferred tax assets/liablities presented in balance sheet.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax assets	169.16	108.42	88.24
Deferred tax liabilities	(434.07)	(355.30)	(298.27)
Total	**(264.91)**	**(246.88)**	**(210.03)**

2016-17	Opening Balance	Recognised in P&L	Recognised in OCI	Closing Balance
Deferred tax assets				
Expenses deductible in future years	10.86	1.74	-	12.60
Provision for doubtful debts / advances	0.74	(0.20)	-	0.54
MAT Credit Entitlement	95.43	58.89	-	154.32
Others	1.39	0.31	-	1.70

2016-17	Opening Balance	Recognised in P&L	Recognised in OCI	Closing Balance
	108.42	60.74	-	169.16
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(352.77)	(69.87)	-	(422.64)
Investment in mutual funds	(1.05)	(3.72)	-	(4.77)
Cash flow hedges	(0.30)	-	(5.27)	(5.57)
Others	(1.18)	0.09	-	(1.09)
	(355.30)	(73.50)	(5.27)	(434.07)
Total	**(246.88)**	**(12.76)**	**(5.27)**	**(264.91)**

2015-16	Opening Balance	Recognised in P&L	Recognised in OCI	Closing Balance
Deferred tax assets				
Expenses deductible in future years	9.38	1.48	-	10.86
Provision for doubtful debts / advances	1.18	(0.44)	-	0.74
MAT Credit Entitlement	76.16	19.27	-	95.43
Others	1.52	(0.13)	-	1.39
	88.24	20.18	-	108.42
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(296.16)	(56.61)	-	(352.77)
Investment in mutual funds	(0.54)	(0.51)	-	(1.05)
Cash flow hedges	0.11	-	(0.41)	(0.30)
Others	(1.68)	0.50	-	(1.18)
	(298.27)	(56.62)	(0.41)	(355.30)
Total	**(210.03)**	**(36.44)**	**(0.41)**	**(246.88)**

Note:

There are capital losses of ₹ 286.27 Crores (March 31, 2016: ₹ 286.27 Crores and April 1, 2015: ₹ 289.93 Crores) on which no deferred tax asset has been created due to lack of probability of future capital gains against which such deferred tax assets can be realised. These capital losses would expire upto financial year ending March 31, 2023.

18 TRADE PAYABLES

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Acceptances	386.78	251.41	233.24
Outstanding dues to Micro and Small enterprises #	7.45	5.32	3.06
Outstanding dues to parties other than Micro and Small enterprises	251.08	251.60	185.07
	645.31	**508.33**	**421.37**

Refer note 18.1

18.1 Dues To micro, small and medium enterprises

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year			
- Principal amount	21.49	6.03	5.02
- Interest due thereon	0.19	0.01	0.22
Amount of payments made to suppliers beyond the appointed day during the year			
- Principal amount	28.04	13.41	-
- Interest actually paid under section 16 of MSMED	-	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	0.51	0.17	-
Interest accrued and remaining unpaid at the end of the year			
- Interest accrued during the year	0.70	0.18	0.09
- Interest remaining unpaid as at the end of the year	1.11	0.40	0.22
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	0.70	0.18	0.09

19 OTHER FINANCIAL LIABILITIES

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current			
Current maturities of non-current debt	348.91	182.05	214.34
Interest accrued	5.27	1.84	2.71
Unpaid dividends*	6.32	6.20	6.24
Security deposits	6.14	5.22	4.70
Payables to capital creditors			
Acceptances	-	1.57	-
Outstanding dues to Micro and Small enterprises #	15.15	1.11	2.18
Outstanding dues to parties other than Micro and Small enterprises	67.59	27.13	49.68
Unearned guarantee commission@	6.68	9.00	9.33
Derivatives designated and effective as hedging instruments carried at fair value - Interest rate swaps designated in hedge accounting relationships through other comprehensive income	-	1.70	1.60
Others	0.54	0.55	0.59
Total other financial liabilities	**456.60**	**236.37**	**291.37**

*Will be credited to investor education and protection fund if not claimed within seven years from the date of issue of dividend/interest warrant and the date the fixed deposits have matured.

Refer note 18.1

@ pertains to guarantees given for subsidiaries

20 CURRENT TAX ASSETS AND LIABILITIES

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Income tax payable (net)	3.69	3.12	5.42
	3.69	**3.12**	**5.42**

21 OTHER LIABILITIES

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
Deferred government grants*	5.38	-	-
	5.38	**-**	**-**
Current			
Advances received from customers	25.01	10.87	13.86
Statutory remittances	27.99	26.75	28.26
Other taxes payables	41.25	20.82	19.70
Gratuity	6.24	7.61	3.87
	100.49	**66.05**	**65.69**

*The Company has recognized grant in respect of duty paid on procurement of capital goods under EPCG scheme of Central Government which allows refund in the form of freely transferable duty credit scrips of the duty paid upon meeting of export obligation of six times of the duty paid on capital goods procured. The Company expects to meet its export obligations in future years. Export obligation as on March 31, 2017 is ₹ 104.93 crores.

22 REVENUE FROM OPERATIONS

	Year ended March 31 , 2017	Year ended March 31 , 2016
Sale of products (including excise duty)		
Manufactured goods	4,044.75	3,826.56
Traded goods	73.96	52.90
	4,118.71	**3,879.46**
Other operating revenues		
Claims	0.41	1.11
Export incentives	44.00	35.48
Scrap sales	9.30	9.47
Other operating income	25.40	19.45
	79.11	**65.51**
	4,197.82	**3,944.97**

23 OTHER INCOME

	Year ended March 31 , 2017	Year ended March 31 , 2016
Interest Income*		
- from customers	0.14	0.22
- on loans and deposits	1.28	0.96
- on others	2.74	3.76
Dividend Income	-	0.18
Other non-operating income	9.00	8.50
Other gains and losses		
Net gain on sale/discarding of property, plant and equipment	0.40	3.14
Net gain on financial assets measured at FVTPL	13.32	11.38
Net currency exchange fluctuation gains	18.92	3.39
Provision / Liabilities no longer required written back	0.31	5.46
	46.11	**36.99**

* Pertains to assets at amortised cost

24.1 COST OF MATERIALS CONSUMED

	Year ended March 31 , 2017	Year ended March 31 , 2016
Opening stock of raw materials	246.93	264.02
Add: Purchases of raw materials	1,959.43	1,732.52
	2,206.36	**1,996.54**
Less: Closing stock of raw materials	367.19	246.93
Cost of materials consumed	**1,839.17**	**1,749.61**

24.2 PURCHASES OF STOCK-IN-TRADE

	Year ended March 31 , 2017	Year ended March 31 , 2016
Purchase of Stock in Trade	49.34	35.04
	49.34	**35.04**

24.3 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended March 31 , 2017	Year ended March 31 , 2016
Inventories at the end of the year:		
Stock-in-Process	75.52	54.44
Finished goods	149.01	159.96
Traded goods	1.87	2.64
	226.40	**217.04**
Inventories at the beginning of the year:		
Stock-in-Process	54.44	76.54
Finished goods	159.96	149.03
Traded goods	2.64	1.99
	217.04	**227.56**
Net (increase) / decrease		
Stock-in-Process	(21.08)	22.10
Finished goods	10.95	(10.93)
Traded goods	0.77	(0.65)
	(9.36)	**10.52**

25 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31 , 2017	Year ended March 31 , 2016
Salaries and wages, including bonus	282.22	248.24
Contribution to provident and other funds	20.44	17.42
Workmen and staff welfare expenses	39.24	34.80
	341.90	**300.46**

26 FINANCE COST

	Year ended March 31 , 2017	Year ended March 31 , 2016
Interest cost*	65.83	79.97
Other borrowing costs	9.02	10.24
Exchange differences regarded as an adjustment to borrowing costs	2.68	5.22
	77.53	**95.43**

* includes unwinding of deferred payment liability and pertains to liabilities at amortised cost

27 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31 , 2017	Year ended March 31 , 2016
Depreciation of property,plant and equipment	224.07	214.64
Amortisation of intangible assets	17.91	18.47
	241.98	**233.11**

28 OTHER EXPENSE

	Year ended March 31 , 2017	Year ended March 31 , 2016
Stores and Spares consumed	33.07	32.75
Power and Fuel	354.16	331.86
Rent	18.40	16.42
Repairs and Maintenance		
- Buildings	3.85	5.04
- Plant and machinery	108.97	100.30
- Others	28.06	25.83
Insurance	12.27	9.94
Rates and taxes	15.32	3.84
Freight	127.91	93.66
Expenditure on Corporate Social Responsibility	7.60	8.75
Professional and legal charges	26.10	20.09
Contract conversion charges	3.35	3.33
Travel	17.72	12.58
Directors' sitting fees	0.19	0.20
Selling commission	5.50	6.90
Increase / (decrease) in excise duty on closing stock	0.41	(0.23)
Bad debts / advances written off	0.53	0.09
Fixed assets/inventory provided / written off	2.58	2.22
Investments written off		
Amount written off	-	0.34
Less: Adjusted with the write back of provision for investments	-	(0.34)
Auditor Remuneration		
- Audit Fees	0.66	0.50
- For limited review of unaudited financial results	0.45	0.33
- For Corporate governance, consolidated financial statements and other certificates	0.08	0.16
- For tax audit	0.12	0.10
- Reimbursement of out of pocket expenses	0.02	0.03
Miscellaneous expenses	73.19	61.73
	840.51	**736.42**

29 INCOME TAX RECOGNISED IN PROFIT AND LOSS

	Year ended March 31 , 2017	Year ended March 31 , 2016
Current tax		
In respect of the current year	116.49	107.51
	116.49	107.51
Deferred tax		
In respect of the current year		
MAT credit	(58.89)	(19.27)
Others	71.65	55.71
	12.76	36.44
	129.25	**143.95**

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

	Year ended March 31 , 2017	Year ended March 31 , 2016
Profit before tax	**548.07**	**515.82**
Income Tax Expense @ 34.608% (2016: 34.608%)	189.68	178.51
Weighted deduction of research and development expenses	(36.38)	(21.85)
Investment allowance on plant and machinery	(22.39)	(14.06)
Effect of expenses that are not deductible in determining taxable profit	3.12	3.05
Effect of deductions under the tax laws	(4.43)	(1.51)
Others	(0.35)	(0.19)
Income tax expenses recognised in profit and loss	**129.25**	**143.95**

The tax rate used for the current year reconciliation above is the corporate tax rate of 34.608% (2016: 34.608%) payable by corporate entities in India on taxable profits under the Indian tax law.

30 INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Year ended March 31 , 2017	Year ended March 31 , 2016
Arising on income and expense recognised in other comprehensive income		
Net gain on designated portion of hedging instruments in cash flow hedges	(5.27)	(0.41)
Remeasurement of defined benefit obligation	0.13	1.09
	(5.14)	**0.68**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	(5.27)	(0.41)
Items that will not be reclassified to profit or loss	0.13	1.09
	(5.14)	**0.68**

31 CONTINGENT LIABILITIES AND COMMITMENTS

a. Claims against the Company not acknowledged as debts:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Excise duty, custom duty and service tax*@	70.12	61.25	60.95
Sales tax and entry tax (refer note 'b' below)**@	124.26	123.48	112.12
Income Tax****	7.93	7.90	11.29
Stamp Duty*****	28.81	28.81	28.81
Others***	1.01	12.33	10.89

* Amount deposited ₹ 8.60 Crores (2016 : ₹ 4.57 Crores; 2015 : ₹ 4.47 Crores)

** Amount deposited ₹ 12.39 Crore (2016 : ₹ 0.02 Crore; 2015 ₹ 0.16 Crore)

*** Amount deposited ₹ 0.08 Crore (2016 :₹ 0.08 Crore; 2015 :₹ Nil)

**** Amount deposited ₹ 6.48 Crores (2016 ₹ 3.38 Crores; 2015 ₹ 4.32 Crores)

***** In the matter of acquisition of the Tyrecord Division at Malanpur from CEAT Limited the Collector of Stamps, Bhind (Madhya Pradesh) has by his order dated 07.11.2001 assessed the value of the subject matter of the Deed of Conveyance dated 13.06.1996 at ₹ 303.00 Crores and levied a stamp duty of ₹ 23.73 Crores and imposed a penalty of ₹ 5.09 Crores. The said demand was challenged before the Hon'ble High Court of Madhya Pradesh Bench at Gwalior. The Hon'ble High Court of Madhya Pradesh accepted the case of the Company that the subject matter of the Deed of Conveyance dated 13.06.1996 is only the superstructures valued at ₹ 27.76 Crores and not the entire undertaking valued at ₹ 303.00 Crores as claimed by the State. Consequently, the Hon'ble High Court of Madhya Pradesh quashed the order and demands issued by the Collector of Stamps, Bhind (Madhya Pradesh) and allowed the writ petition by an order dated 29th November 2004. Against the said order, the State of Madhya Pradesh preferred a Special Leave Petition before the Hon'ble Supreme Court which the State of Madhya Pradesh has withdrawn to enable it to approach the Hon'ble High Court of Madhya Pradesh at Gwalior in view of the change in law in the State of Madhya Pradesh relating to Letters Patent Appeal.

@ As per Business Transfer Agreement with KAMA Holdings Limited, the liabilities of ₹ 20.64 Crores (2016 : ₹ 20.64 Crores; 2015 : ₹ 20.64 Crores) and ₹ 0.38 Crore (2016 :₹ 0.38 Crore; 2015 : ₹ 0.38 Crore) respectively towards Excise Duty and Sales tax are covered under Representations and Warranties.

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

b. The Company had received demand for payment of Central Sales Tax (CST), Value Added Tax (VAT) and Entry Tax aggregating to ₹ 123.11 Crores (2016 :₹ 121.06 Crores; 2015:₹ 111.38 Crores) including interest and penalty of ₹ 34.38 Crores (2016 : ₹ 34.38 Crores;2015 : ₹ 34.38 Crores) for the period from 2004 to 2013 in respect of sales from its manufacturing facility in Special Economic Zone (SEZ) in Madhya Pradesh to the Domestic Tariff Area (DTA). The Company had already paid on the same products ₹ 51.37 Crores as Additional Countervailing Duty (ACVD) to the Central Government, based on Company's view that ACVD was payable as per extant policies and Legislations of the Centre and the State.

The Company had filed writ petitions against all such demands, on which Hon'ble High Court of Madhya Pradesh ("Court") has granted stay subject to payment of 10 % of the total demand in cash and bank guarantee for the remaining 90% of the total demand. The said deposit of cash as well as bank guarantee has been made by the Company. The Management is of the view which is also confirmed by legal opinion that Company has a good case on merits and is confident of getting relief from the Court and, accordingly, no provision has been created.

c. The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax amounting to ₹ 23.95 Crores (2016 :₹ 38.87 Crores; 2015 : ₹ 29.11 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.

d. Liability on account of bank guarantees of ₹ 120.13 crores (2016: 7.85 crores; 2015: ₹ 5.47 crores)

e. The Company has issued a Counter Indemnity to HSBC Ltd., India for an amount of US$ 40.50 Million (Previous Year US$ 40.50 Million) to secure the Standby Documentary Credit (SBDC) Facility of the same amount issued by the said bank in favour of HSBC Bank (Mauritius) Limited. This SBDC is further secured by a charge by way of an equitable mortgage on the immoveable properties of the Company at Manali, Basis of this SBDC, HSBC Bank (Mauritius) Limited has entered into a loan agreement for a term loan of US$ 40 Million (Previous year US$ 40 Million) with SRF Global BV, the wholly owned subsidiary of the Company.

f. The Company has entered into agreements with banks for assignment of trade receivables without recourse to them for value upto a maximum limit of ₹ 379.79 Crores. The assigned receivables as at the year end is ₹ 185.46 Crores (March 31, 2016 : ₹ 160.35 Crores; April 1, 2015 : 95.24 Crores)

g. 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, 2017	March 31, 2016	March 31, 2017	March 31, 2016
		In Millions	In Millions	In Millions	In Millions
SRF Flexipak South Africa (Pty) Limited	EUR	0.60	0.60	0.56	0.27
	USD	46.00	46.00	23.00	35.00
	USD	19.49	19.49	2.81	2.39
	USD	14.95	14.95	2.40	0.46
	ZAR	80.00	80.00	-	44.51
SRF Global BV	USD	22.00	22.00	21.70	-
	USD	23.00	23.00	-	20.00
	USD				
SRF Industries (Thailand) Limited	USD	52.00	52.00	21.00	27.00
SRF Industex Belting (Pty) Limited	USD	1.44	1.44	1.44	0.72

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

i. Capital and other commitments

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i)	Estimated Amount of contracts remaining to be executed on capital account & not provided for	397.87	263.91	87.53
(ii)	Commitment for investment in SRF Holiday Home Limited	0.05	0.05	0.05

(iii) The Company has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The Company does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses.

(iv) The Company has recognized grant in respect of duty paid on procurement of capital goods under EPCG scheme of Central Government which allows refund in the form of freely transferable duty credit scrips of the duty paid upon meeting of export obligation of six times of the duty paid on capital goods procured. The Company expects to meet its export obligations in future years. Export obligation as on March 31, 2017 is ₹ 104.93 crores.

32 The details of dues of Income-tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (₹ Crores)
Central Excise Laws	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1994-2015	71.17
		Upto Commissioner (Appeals)	1993-2016	3.73
Service Tax Laws	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2005-2008	0.13
		Upto Commissioner (Appeals)	2006-2015	1.70
Customs Laws	Customs Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2005-2013	1.50
		Upto Commissioner (Appeals)	2002	0.17
Sales Tax Laws	Sales Tax	High Court	2004-2013	94.82
		Sales Tax Appellate Tribunal	1987-2008	1.02
		Upto Commissioner (Appeals)	1988-2015	0.75
Income Tax Laws	Income Tax	Supreme Court	1988-1989	1.13
		Income Tax Appellate Tribunal (ITAT)	2009-2011	1.69
Others	Electricity Cess	High Court	2007-2014	0.13

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

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

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount (₹ Crores)
Central Excise Laws	Excise Duty	High Court	1994-2002	1.67
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1989-1995	2.24

33 RELATED PARTY TRANSACTIONS

33.1 Description of related parties

Holding Company	Key management personnel
KAMA Holdings Limited	Mr. Arun Bharat Ram
	Mr. Ashish Bharat Ram
Subsidiaries	Mr. Kartik Bharat Ram
SRF Overseas Limited#	Mr. K. Ravichandra*
SRF Holiday Home Limited	Mr. Vinayak Chatterjee
SRF Energy Limited^	Mr. Tejpreet S Chopra
SRF Fluorochemicals Limited^	Mr. L.Laxshman
SRF Fluor Private Limited^	Mr. Vellayan Subbiah
SRF Global BV	Mr. Pramod Bhasin

SRF Industries (Thailand) Limited	Ms. Meenakshi Gopinath
SRF Industex Belting (Pty) Limited	Mr. Pramod Gopaldas Gujarathi**
SRF Flexipak (South Africa) (Pty) Limited	

Fellow subsidiaries	**Enterprises over which KMP have significant influence**
KAMA Realty (Delhi) Limited	SRF Foundation
Shri Educare Limited	Karm Farms LLP
Shri Educare Maldives Private Limited	Srishti Westend Greens Farms LLP
SRF Transnational Holdings Limited	SRF Welfare Trust

Post Employment Benefit Plans Trust
SRF Limited Officers Provident Fund Trust
SRF Employees Gratuity Trust
SRF Officers Gratuity Trust

Liquidated during the year
*upto March 31, 2017
**from April 1, 2017
^Liquidated during FY 2015-16

33.2 Transactions with related parties

	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of goods to:		
Subsidiaries	25.80	28.68
	25.80	**28.68**
Purchase of goods from:		
Subsidiaries	4.15	6.29
	4.15	**6.29**
Purchase of property, plant & equipment and intangible assets from:		
Subsidiaries	-	0.0002
	-	**0.0002**
Sales of property, plant & equipment and intangible assets to :		
Fellow Subsidiaries	-	0.04
Enterprises over which KMP have significant influence	-	6.30
	-	**6.34**
Services rendered to:		
Subsidiaries	8.59	7.88
	8.59	**7.88**
Rent paid		

	For the year ended March 31, 2017	For the year ended March 31, 2016
Fellow Subsidiaries	6.62	6.50
Key management personnel	0.29	0.28
Enterprises over which KMP have significant influence	1.47	1.36
	8.38	**8.14**
Interest income on ICDs /loans/receivable from		
Subsidiaries	-	0.12
	-	**0.12**
Reimbursement of expenses from		
Holding Company	0.0045	0.0043
Subsidiaries	2.64	1.68
Fellow Subsidiaries	0.04	0.03
	2.68	**1.71**
Reimbursement of expenses paid		
Subsidiaries	0.0049	0.20
	0.0049	**0.20**
Loans / deposits given to (including exchange fluctuation)		
Fellow Subsidiaries	-	0.04
Enterprises over which KMP have significant influence	-	0.14
	-	**0.18**
Loans/deposits received back from		
Enterprises over which KMP have significant influence	-	5.00
	-	**5.00**
Donations to		
Enterprises over which KMP have significant influence	7.60	8.75
	7.60	**8.75**
Contribution to post employment benefit plans		
Post Employment Benefit Plans Trust	16.94	18.39
	16.94	**18.39**
Guarantees issued / renewed		
Subsidiaries		
USD (In Million)	19.49	13.44
EURO (In Million)	0.60	0.60
ZAR (In Million)	80.00	20.00

33.3 Outstanding balances

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Receivables			
Subsidiaries	8.50	11.87	26.97
Less: Provision for receivables	-	-	(0.07)
	8.50	**11.87**	**26.90**
Payables			
Subsidiaries	1.17	0.99	1.59
Post Employment Benefit Plans Trust	5.76	5.56	3.94
	6.93	**6.55**	**5.53**
Commission Payable			

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Key management personnel	5.85	5.10	5.10
	5.85	**5.10**	**5.10**
Security Deposits outstanding			
Fellow Subsidiaries	3.34	3.34	3.30
Key management personnel	0.13	0.13	0.13
Enterprises over which KMP have significant influence	1.34	1.34	6.20
	4.81	**4.81**	**9.63**
Equity Investment outstanding			
Subsidiaries	83.60	83.60	83.60
	83.60	**83.60**	**83.60**
Guarantees outstanding			
Subsidiaries			
USD (In Million)	178.88	178.88	211.44
EURO (In Million)	0.60	0.60	-
ZAR (In Million)	80.00	80.00	60.00
THB (In Million)			403.24
	259.48	**259.48**	**674.68**

33.4 Key management personnel compensation

	For the year ended March 31, 2017	For the year ended March 31, 2016
Short-term benefits*	14.14	12.70
Post-employment benefits	1.09	0.72
Other long-term benefits	0.47	0.21
	15.70	**13.63**

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

34 EMPLOYEE BENEFITS

34.1 Defined contribution plans:

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
Superannuation fund (Refer to note (i) below)	0.72	0.93
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	8.54	7.76
Employees' State Insurance Corporation	0.80	0.57
	10.06	**9.26**

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

(i) Superannuation fund

The Company makes contributions to a Trust which in turn contributes to ICICI Prudential Life Insurance Company Limited.

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

(ii) Provident fund administered through Regional Provident Fund Commissioner

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

34.2 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.

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 acturial valuation were as follows:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Gratuity	Provident Fund	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	7.35%	7.35%	8.00%	8.00%	7.75%	7.75%
Salary increase	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Retirement Age (years)	58	58	58	58	58	58
Mortality Rates	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Withdrawal rate						
Upto 30 years	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
31 to 44 years	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Above 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

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 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 an loss in respect of these benefit plans are as follows:

	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Sevice cost	5.09	4.68	4.15	3.70
Past service cost and (gain) /loss from settlements	-	-	-	-
Net interest expenses	0.61	-	0.31	-
	5.70	**4.68**	**4.46**	**3.70**

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

(iv) Amounts recognised in Other Comprehensive Income:

	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Return on plan assets (excluding amounts included in net internet expenses)	(5.87)	-	0.57	-
Actuarial (gain)/losses arising from changes in financial assumptions	2.85	-	(0.96)	-
Acturial (gain)/losses arising from changes in experience adjustments	3.56	-	3.55	-
	0.54	**-**	**3.16**	**-**

(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, 2017		As at March 31, 2016		As at April 1, 2015	
	Gratuity	Provident Fund	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	57.53	93.31	48.53	79.38	42.52	68.38
Fair Value of Plan Assets	51.29	93.48	40.92	79.55	38.65	68.55
Surplus / (Deficit)	**(6.24)**	**0.17**	**(7.61)**	**0.17**	**(3.87)**	**0.17**
Effect of asset ceiling, if any	-	(0.17)	-	(0.17)	-	(0.17)
Net assets / (liability)	**(6.24)**	**-**	**(7.61)**	**-**	**(3.87)**	**-**

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

	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	48.53	79.38	42.52	68.38
Current Service Cost	5.09	4.68	4.15	3.70
Interest Cost	3.89	6.29	3.30	6.95
Acturial (gain)/losses arising from changes in financial assumptions	2.85	-	(0.96)	-
Acturial (gain)/losses arising from changes in experience adjustments	3.56	-	3.55	-
Benefits paid	(6.39)	(5.13)	(4.03)	(6.22)
Contribution by plan participants / employees	-	6.52	-	4.69
Settlement / transfer in	-	1.57	-	1.88
Closing defined benefit obligation	**57.53**	**93.31**	**48.53**	**79.38**

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

	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	40.92	79.55	38.65	68.55
Return on plan assets (excluding amounts included in net interest expenses)	9.15	6.29	2.42	6.95
Contributions from employer	7.61	4.68	3.88	3.70
Contributions from plan participants	-	6.52	-	4.69
Benefits paid	(6.39)	(5.13)	(4.03)	(6.22)
Settlement / transfer in	-	1.57	-	1.88
Closing fair value of plan assets	**51.29**	**93.48**	**40.92**	**79.55**

Plan assets comprises of HDFC Group Unit Linked Plan fund, Government of India securities and bank balances. The average duration of the defined benefit obligation is 23 years (2016: 23 years, 2015: 23 years). The Company expects to make a contribution of ₹ 5.95 Crores (2016: ₹ 6.50 crores, 2015: ₹ 5.58 Crores) to the defined benefit plans during the next financial year

(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.

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 2.23 Crores (Increase by ₹ 2.41 Crores) (as at March 31, 2016: decrease by ₹ 1.82 Crores (increase by ₹ 1.96 Crores))

If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by ₹ 2.39 Crores (decrease by ₹ 2.24 Crores) (as at March 31, 2016: increase by ₹ 1.96 Crores (decrease by ₹ 1.84 Crores))

34.3 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:

	For the year ended March 31, 2017	For the year ended March 31, 2016
Long term retention pay (Refer to note (i) below)	0.15	0.27
Compensated absences	6.81	4.25
	6.96	**4.52**

(i) Long Term Retention Pay

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

35 SEGMENT REPORTING

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

- Technical Textiles business: includes nylon tyre cord fabric, belting fabric, coated fabric, laminated fabric, polyester tyre cord fabric and industrial yarns and its research and development
- Chemicals and Polymers business: includes refrigerant gases, chloromethane, pharmaceuticals, fluorochemicals & allied products, engineering plastics business and its research and development.
- Packaging Film Business includes polyester films.

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

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

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

b) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and property, plant and equipment, 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.

	Year ended March 31, 2017	Year ended March 31, 2016
Segment Revenue		
a) Technical Textiles Business (TTB)		
- External sales	1,714.72	1,592.26
- Inter-segment sales	2.55	5.91
Total	**1,717.27**	**1,598.17**
b) Chemicals and Polymers (CPB)		
- External sales	1,722.15	1,639.80
- Inter-segment sales	-	-
Total	**1,722.15**	**1,639.80**
c) Packaging Films Business (PFB)		
- External sales	760.95	712.91
- Inter-segment sales	1.71	1.20
Total	**762.66**	**714.11**
Total Segment revenue	**4,202.08**	**3,952.08**
Less: Inter Segment revenue	4.26	7.11
Revenue from Operations	**4,197.82**	**3,944.97**
Add: Unallocable Income	46.11	36.99
Total Revenue	**4,243.93**	**3,981.96**
Segment Profits		
(Profit / (Loss) before interest and tax from each segment)		
a) Technical Textiles Business (TTB)	240.37	167.45
b) Chemicals and Polymers (CPB)	327.82	393.64
c) Packaging Films Business (PFB)	99.91	103.17
Total Segment results	**668.10**	**664.26**
Less: i) Interest & Finance Charges	77.53	95.43
Less: ii) Other Unallocable expenses net of income	42.50	53.01
Profit before tax	**548.07**	**515.82**
Less: Provision for taxation	129.25	143.95
Profit after tax	**418.82**	**371.87**

Segment assets and liabilities

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Segment Assets			
a) Technical Textiles Business (TTB)	1,445.27	1,370.30	1,438.22
b) Chemicals and Polymers (CPB)	3,057.02	2,702.56	2,509.15
c) Packaging Films Business (PFB)	1,025.67	657.39	554.05
Total	**5,527.96**	**4,730.25**	**4,501.42**
Unallocable Assets	429.93	683.30	334.99
Total Assets	**5,957.89**	**5,413.55**	**4,836.41**
Segment Liabilities			
a) Technical Textiles Business (TTB)	323.89	245.29	244.76
b) Chemicals and Polymers (CPB)	331.27	263.33	248.22
c) Packaging Films Business (PFB)	203.96	133.54	97.22
Total	**859.12**	**642.16**	**590.20**
Unallocable Liabilities	1,953.92	1,967.76	1,744.05
Total Liabilities	**2,813.04**	**2,609.92**	**2,334.25**

	Year ended March 31, 2017	Year ended March 31, 2016
Capital Expenditure		
a) Technical Textiles Business (TTB)	13.78	66.35
b) Chemicals and Polymers (CPB)	341.82	314.78
c) Packaging Films Business (PFB)	329.50	41.45
d) Unallocated	15.71	10.41
Total	**700.81**	**432.99**
Depreciation		
a) Technical Textiles Business (TTB)	42.77	46.13
b) Chemicals and Polymers (CPB)	167.69	158.40
c) Packaging Films Business (PFB)	20.59	17.63
d) Unallocated	10.93	10.95
Total	**241.98**	**233.11**
Geographical Information		
Revenue from operations		
- India	2,739.80	2,632.55
- Singapore	207.32	238.36
- Germany	236.84	209.49
- USA	171.44	129.73
- Others	842.42	734.84
	4,197.82	**3,944.97**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non current segment assets			
-Within India	4,041.72	3,606.97	3,346.44
-Outside India	-	-	-
	4,041.72	**3,606.97**	**3,346.44**

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

No single customer contributed 10% or more to the company's revenue for both 2016-17 and 2015-16

Revenue from major products	Year ended March 31, 2017	Year ended March 31, 2016
Manufactured		
Synthetic Filament Yarn including Industrial Yarn/Tyre Cord/Twine	158.86	183.34
Nylon Tyre Cord Fabric/ Polyester tyre cord fabric / Industrial Yarn Fabric	1,369.34	1,262.44
Laminated Fabric	170.25	130.93
Nylon / PBT / PC Compounding Chips	221.51	198.76
Fluorochemicals, Refrigerant Gases & Allied Products	592.70	449.99
Fluorospecialities Chemicals	606.14	743.28
Chlorinated Solvents	164.72	141.87
Packaging Films	716.80	688.09
Waste/Others	44.42	27.86
	4044.75	**3826.56**
Traded goods	73.96	52.90
	4,118.71	**3,879.46**

36 EARNING PER SHARE

	Year ended March 31, 2017	Year ended March 31, 2016
Basic Earning per share (₹)	72.94	64.76
Diluted Earning per share (₹)	72.94	64.76
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share	418.82	371.87
Weighted average number of equity shares for the purpose of calculating basic earning per shares and diluted earning per share (nos.)	57,420,500	57,420,500

37 OPERATING LEASE

The Company has entered into operating lease agreements for various premises taken for accommodation of Company's officers / directors, various offices of the Company, lands & certain equipments. These arrangements are both cancellable and non-cancellable in nature and range between two to ninety nine years. The future minimum lease payments under non-cancellable operating leases are as under:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-cancellable operating lease commitments			
- Within one year	8.15	8.13	6.69
- Later than one year & not later than five years	12.08	18.06	18.15
- Later than five years	62.86	65.02	59.88
	83.09	**91.21**	**84.71**

	Year ended March 31, 2017	Year ended March 31, 2016
Lease Rent Recognised in the Statement of profit & loss as per Note 28	18.40	16.42

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 through maintaining reasonable balance between Debt and equity. The capital structure of the Company consists of net debt (borrowings net of cash and cash equivalents) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on a periodic basis. As part of review, the management considers the cost of capital and risk associated with each class of capital. The Company also evaluates its gearing measures like Debt Equity Ratio, Debt Service Coverage Ratio, Interest Service Coverage Ratio, Debt to EBIDTA Ratio to arrive at an appropriate level of debt and accordingly evolve its capital structure.

The following table provides detail of the debt and equity at the end of the reporting period:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Debt	1,658.19	1,707.41	1,532.57
Cash & cash equivalents	47.89	280.34	57.05
Net Debt	**1,610.30**	**1,427.07**	**1,475.52**
Total Equity	**3,144.85**	**2,803.63**	**2,502.16**
Net debt to equity ratio	**0.51**	**0.51**	**0.59**

38.2 Financial instruments by category

	As at March 31, 2017				As at March 31, 2016				As at April 1, 2015			
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI
Financial Assets												
Investments*	146.36	-	49.40	0.12	160.60	-	-	4.33	91.56	-	-	4.27
Trade Receivables	-	-	514.59	-	-	-	371.68	-	-	-	478.55	-
Cash and cash equivalents	-	-	47.89	-	-	-	280.34	-	-	-	57.05	-
Bank balances other than above	-	-	8.49	-	-	-	49.35	-	-	-	8.10	-
Loans	-	-	54.08	-	-	-	39.10	-	-	-	39.97	-
Other financial assets	-	21.17	41.48		-	2.69	53.14	-	-	3.69	13.51	-
	146.36	**21.17**	**715.93**	**0.12**	**160.60**	**2.69**	**793.61**	**4.33**	**91.56**	**3.69**	**597.18**	**4.27**

	As at March 31, 2017				As at March 31, 2016				As at April 1, 2015			
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	Financial Guarantee Contracts	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	Financial Guarantee Contracts	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	Financial Guarantee Contracts
Financial Liabilities												
Borrowings	-	-	1,309.28	-	-	-	1,525.36	-	-	-	1,318.23	-
Trade Payables	-	-	645.31	-	-	-	508.33	-	-	-	421.37	-
Other financial liabilities	-	-	449.92	6.68	-	1.70	225.67	9.00	-	1.60	280.44	9.33
	-	**-**	**2,404.51**	**6.68**	**-**	**1.70**	**2,259.36**	**9.00**	**-**	**1.60**	**2,020.04**	**9.33**

Carrying value of the financial assets and liabilities designated at amortised cost approximates its fair value.

*Investment value excludes investment in subsidiaries of ₹ 83.60 crores (2016: ₹ 83.60 crores; 2015: 83.60 crores) which are shown at cost in balance sheet as per Ind AS 27 “Separate Financial Statements”.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at March 31, 2017	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments*	146.36	-	0.12	146.48
Other financial assets**	-	21.17	-	21.17
	146.36	**21.17**	**0.12**	**167.65**
Financial Liabilities				
Other financial liabilities***	-	-	6.68	6.68
	-	**-**	**6.68**	**6.68**
As at March 31, 2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Investments*	160.60	-	4.33	164.93
Other financial assets**	-	2.69	-	2.69
	160.60	**2.69**	**4.33**	**167.62**
Financial Liabilities				
Other financial liabilities***	-	1.70	9.00	10.70
	-	**1.70**	**9.00**	**10.70**
As at April 1, 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Investments*	91.56	-	4.27	95.83
Other financial assets**	-	3.69	-	3.69
	91.56	**3.69**	**4.27**	**99.52**
Financial Liabilities				
Other financial liabilities***	-	1.60	9.33	10.93
	-	**1.60**	**9.33**	**10.93**

* Investments (Level 1 - Mutual Funds, Level 3 - Unquoted equity instruments)

** Other financial assets (Level 2 - Hedging Instruments)

*** Other Financial Liabilities (Level 2 - Hedging Instruments, Level 3 - Financial Guarantee contracts)

Level 1:

Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of open ended mutual funds.

Level 2:

Valuation techniques with 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.

Level 3:

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

Sensitivity of Level 3 financial instruments are insignificant

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

Investments in mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

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 Authorised Dealers Banks.

Unquoted equity investments: Fair value is derived on the basis of income approach, in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

Reconciliation of Level 3 fair value measurements

	Unlisted equity instruments
As at April 1, 2015	**4.27**
Purchases	0.06
Gain / (loss) recognised in OCI	-
As at March 31, 2016	**4.33**
Purchases	0.01
Gain / (loss) recognised in OCI	(4.22)
As at March 31, 2017	**0.12**
	Financial Guarantee Contracts
As at April 1, 2015	**9.33**
Additional Guarantees given	1.98
Income recognised in profit & loss	(2.31)
As at March 31, 2016	**9.00**
Additional Guarantees given	-
Income recognised in profit & loss	(2.32)
As at March 31, 2017	**6.68**

38.3 Financial Risk Management

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

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

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

38.3.1 Market Risk

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

A. Foreign Currency Risk Management

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

In the operating activities, the Company's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). The Company manages the Net exposure on a rolling 12 month basis and hedges the exposures based on a duly approved policy by the Board. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the Company are mainly in U.S. Dollar (USD) and Euro (EUR). The Company's exposure to foreign currency changes for all other currencies is not material.

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

	Assets			Liabilities		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
USD	273.30	305.87	186.38	1,571.06	1,523.62	1,262.46
EUR	36.11	41.97	32.44	2.73	2.05	2.49

Foreign currency sensitivity analysis

The Company is mainly exposed to USD and EUR

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

	Year ended March 31, 2017		Year ended March 31, 2016	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit /(loss) for the year				
USD	2.84	(2.84)	0.73	(0.73)
EUR	(0.44)	0.44	(0.37)	0.37

Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within of 12 to 15 months for hedges of forecasted sales, purchases and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

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

Outstanding Contracts*	No of Deals			Foreign Currency (FCY Millions)			Nominal Amount (₹ Crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
USD / INR Buy forward	9	3	-	15.48	5.24	-	100.28	34.66	-
USD / INR Sell forward	33	10	24	50.00	24.00	17.00	323.95	158.74	106.20
EUR / USD Sell forward	12	7	-	6.30	3.46	-	43.62	26.06	-
EUR / INR Buy forward	3	-	4	4.80	-	1.64	33.24	-	11.02
EUR / USD Buy forward	10	-	-	14.95	-	-	103.51	-	-
GBP / USD Buy forward	2	-	-	1.88	-	-	15.23	-	-
EUR / INR Sell forward	-	-	5	-	-	2.88	-	-	19.34
Fair value assets /(liabilities)							16.37	2.69	3.69

* Sensitivity on the above derivative contracts in respect of foreign currency exposure is insignificant

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 agreed 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 borrowings, the amount of fixed interest loan is ₹ 481 Crores and floating interest loan is ₹ 808 Crores (March 31, 2016: Fixed interest loan ₹ 734 Crores and Floating interest loan ₹ 758 Crores ; April 1, 2015: Fixed interest loan ₹ 512 Crores and Floating interest loan ₹ 798 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 borrowings, as follows:

	Year ended March 31, 2017		Year ended March 31, 2016	
	₹ loans interest rate decreases by 0.50 %	USD loans interest rate decreases by 0.15 %	₹ loans interest rate decreases by 0.50 %	USD loans interest rate decreases by 0.15 %
Increase in profit before tax by	0.61	0.81	0.91	0.86

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

Interest Rate Swap Contracts

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

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

Outstanding Contracts*	No of Deals			Foreign Currency (FCY Millions)			Nominal Amount (₹ Crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
IRS Contracts	5	4	4	51.33	37.78	60.00	280.74	249.88	374.82
Fair value assets /(liabilities)							4.80	(1.70)	(1.60)

* 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 therefore hedge effective. 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 profit and loss.

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) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

To manage trade receivables, the Company 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.

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 counter parties who meet the parameters specified in Investment Policy of the Company . The investment policy is reviewed by the Company's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as the minimize the concentration of risks and therefore mitigate financial loss due to counter party's potential failure.

Financial assets for which loss allowance is measured:

	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans - Non-Current	6	0.15	0.15	0.10
Loans - Current	6	2.74	2.81	2.97
Other financial assets	7	-	-	0.07
Other assets	8	-	-	0.05
Trade receivables	10	1.50	2.06	2.97
		4.39	**5.02**	**6.16**

As at April 1, 2015	**6.16**
Provided during the year	0.09
Reversed during the year	(1.23)
As at March 31, 2016	**5.02**
Provided during the year	0.53
Reversed during the year	(1.16)
As at March 31, 2017	**4.39**

Other than financial assets mentioned above, none of the Company's financial assets are either impaired or past due, and there were no indications that defaults in payment obligations would occur

38.3.3 Liquidity Risk Management

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

The table below analyse the Company's financial liablities into relevant maturity groupings based on their contractual maturities:

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2017				
Borrowings*	698.19	806.52	153.48	**1,658.19**
Trade payables	645.31	-	-	**645.31**
Other financial liablities**	107.69	-	-	**107.69**
	1,451.19	**806.52**	**153.48**	**2,411.19**
As at March 31, 2016				
Borrowings*	366.32	1,143.83	197.26	**1,707.41**
Trade payables	508.33	-	-	**508.33**
Other financial liablities**	54.32	-	-	**54.32**

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
	928.97	**1,143.83**	**197.26**	**2,270.06**
As at April 1, 2015				
Borrowings*	397.42	1,072.68	62.47	**1,532.57**
Trade payables	421.37	-	-	**421.37**
Other financial liablities**	77.03	-	-	**77.03**
	895.82	**1,072.68**	**62.47**	**2,030.97**

* including Current Maturity of non current borrowing

** includes financial guarantee contracts

39 FIRST TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions and certain optional exemptions availed by the Company. Applicable mandatory exceptions and optional exemptions are as under:

A Mandatory Exceptions:

1 Estimates

The estimates as at April 1, 2015 and as at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

(i) Fair Value through other comprehensive Income(FVTOCI) – unquoted equity shares

(ii) Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts are in accordance with the Ind AS which reflects conditions as at April 1, 2015, the date of transition to Ind AS and as at March 31, 2016.

2 Derecognition of financial assets:

The company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

3 Classification and measurement of financial instruments:

i. Financial Instruments: (Loan to employees and security deposits paid) :

Financial assets / liabilities like loan to employees and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

ii. Financial Instruments: (Investment in Equity shares other than investment in subsidiaries):

The Company has designated investment in equity shares other than in subsidiaries held as at April 1, 2015 as fair value through Other Comprehensive Income.

iii. Impairment of financial assets: (Trade receivables and other financial assets)

The Company has applied the impairment requirements of Ind AS 109 retrospectively, however as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

B Optional Exemptions:

1 Deemed cost for property, plant and equipment and intangible assets

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. In case of property, plant and equipment, the Company has elected to recognise it on fair value as on April 1, 2015 and use that as its deemed cost as of transition date.

2 Long Term Foreign Currency Monetary Items: (Long term foreign currency borrowings)

The Company has elected to continue 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 differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016 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.

3 Arrangements containing a lease

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as at the date of transition.

4 Investment in subsidiaries:

The Company has elected this exemption and opted to continue with the carrying value of investment in subsidiaries as recognised in its Indian GAAP financials, as deemed cost at the date of transition.

5 Designate of previously recognised financial instrument

The Company has elected this exemption and opted to:

- Designate financial asset at FVTPL as per Ind AS 109 based on facts and circumstances that exist as on transition date;
- Designate an investment in equity shares as FVTOCI, as per Ind AS 109, based on facts and circumstances exist on transition date.

6 Business combinations:

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered business under Ind AS that occurred before April 1, 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Company recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the de recognition exception, and (ii) assets and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquirer. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements. The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date.

39.1 Reconciliation of total equity

Particulars	Notes	As at March 31, 2016 (end of last period presented under previous GAAP)	As at April 01, 2015 (Date of Transition)
Total equity (shareholder's fund) as per previous GAAP		**2,690.29**	**2,397.92**
Ind AS Adjustments increase (decrease):			
Impact of measuring investments at fair value through Profit and loss (FVTPL)	k	3.03	1.55
Recognition of liability on account of financial guarantee contracts	l	(3.08)	(3.65)
Amortisation of leasehold land	b	(6.39)	(5.39)
Impact of discounting of deferred payment liability	f	3.41	4.88
Impact due to Fair Valuation of Property, Plant and Equipment	a	65.10	49.49
Other Adjustments		(0.56)	(0.76)
Tax Adjustments	p	51.83	58.12
Equity as reported under IND AS		**2,803.63**	**2,502.16**

39.2 Reconciliation of total comprehensive income

Particulars	Notes	Year ended March 31, 2016 (latest period presented under previous GAAP)
Net profit as reported under previous GAAP		**360.87**
Ind AS Adjustments increase (decrease):		
Impact of measuring investments at fair value through Profit and Loss (FVTPL)	k	1.47
Unwinding of Deferred payment liability	f	(1.46)
Depreciation on fair valuation of Property, Plant and Equipment	a	15.42
Amortisation of leasehold land	b	(1.00)
Actuarial (Gain) / loss on defined benefit plan transferred to other comprehensive income	d	3.16
Others adjustments		0.78
Tax adjustments	p	(7.37)
Total adjustment to profit or loss		**11.00**
Profit or loss under Ind AS		**371.87**
Other comprehensive income	m	
A (i) Items that will not be reclassified to profit or loss		
- Gain / (loss) of defined benefit obligation	d	(3.16)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.09
(i) Items that will be reclassified to profit or loss		
- Effective portion of gain / (loss) on hedging instruments in a cash flow hedge	o	1.20

Particulars	Notes	Year ended March 31, 2016
		(latest period presented under previous GAAP)
(ii) Income tax relating to items that will be reclassified to profit or loss		(0.41)
Total other comprehensive income (A(i+ii) + B(i+ii))		**(1.28)**
Total comprehensive income under Ind ASs		**370.59**

Note: No statement of comprehensive income was produced under previous GAAP. Therefore the above reconciliation starts with profit under previous GAAP.

39.3 Effect of Ind AS adoption on the balance sheet

Particulars	Notes	As at March 31, 2016 (End of last period presented under previous GAAP)			As at April 1, 2015 (Date of transition)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Opening Ind AS balance sheet
ASSETS							
Non-current assets							
Property, Plant and Equipment	a,b	3,211.71	(2.11)	3,209.60	3,031.79	(12.08)	3,019.71
Capital work-in-progress		130.22	-	130.22	118.15	-	118.15
Goodwill	e	1.04	0.37	1.41	1.41	-	1.41
Other Intangible assets		94.26	-	94.26	101.63	-	101.63
Financial Assets							
Investments		87.93	-	87.93	83.65	-	83.65
Loans	i,j	32.31	(2.33)	29.98	36.69	(2.42)	34.27
Other non-current assets	b, i,q	176.93	(5.45)	171.48	96.06	9.48	105.54
Total Non - Current Assets		**3,734.40**	**(9.52)**	**3,724.88**	**3,469.38**	**(5.02)**	**3,464.36**
Current assets							
Inventories	a	613.90	(33.93)	579.97	637.59	(33.93)	603.66
Financial Assets							
Investments	k	157.57	3.03	160.60	94.22	1.56	95.78
Trade receivables		371.68	-	371.68	478.55	-	478.55
Cash and cash equivalents		280.34	-	280.34	57.05	-	57.05
Bank balances other than above		49.35	-	49.35	8.10	-	8.10
Loans	i,j	9.26	(0.14)	9.12	5.79	(0.08)	5.71
Other financial assets	c,l,r	48.20	7.63	55.83	9.89	7.30	17.19
Other current assets	b,i	182.58	(0.80)	181.78	107.33	(1.32)	106.01
Total Current Assets		**1,712.88**	**(24.21)**	**1,688.67**	**1,398.52**	**(26.47)**	**1,372.05**
Total Assets		**5,447.28**	**(33.73)**	**5,413.55**	**4,867.90**	**(31.49)**	**4,836.41**

Particulars	Notes	As at March 31, 2016 (End of last period presented under previous GAAP)			As at April 1, 2015 (Date of transition)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Opening Ind AS balance sheet
EQUITY AND LIABILITIES							
Equity							
Equity Share capital		58.44	-	58.44	58.44	-	58.44
Other Equity		2,631.85	113.34	2,745.19	2,339.48	104.24	2,443.72
Total equity		**2,690.29**	**113.34**	**2,803.63**	**2,397.92**	**104.24**	**2,502.16**
Liabilities							
Non-current liabilities							
Financial Liabilities							
Borrowings	c,f	1,348.71	(7.62)	1,341.09	1,143.61	(8.46)	1,135.15
Provisions		18.57	-	18.57	16.69	-	16.69
Deferred tax liabilities (Net)	p,q	394.14	(147.26)	246.88	344.30	(134.27)	210.03
Total Non - Current Liabilities		**1,761.42**	**(154.88)**	**1,606.54**	**1,504.60**	**(142.73)**	**1,361.87**
Current liabilities							
Financial Liabilities							
Borrowings		184.27	-	184.27	183.08	-	183.08
Trade payables		508.33	-	508.33	421.37	-	421.37
Other financial liabilities	c,f,l,r	228.56	7.81	236.37	284.37	7.00	291.37
Provisions		5.24	-	5.24	5.45	-	5.45
Current Tax Liabilities (Net)		3.12	-	3.12	5.42	-	5.42
Other current liabilities		66.05	-	66.05	65.69	-	65.69
Total Current Liabilities		**995.57**	**7.81**	**1,003.38**	**965.38**	**7.00**	**972.38**
Total Liabilities		**2,756.99**	**(147.07)**	**2,609.92**	**2,469.98**	**(135.73)**	**2,334.25**
Total Equity and Liabilities		**5,447.28**	**(33.73)**	**5,413.55**	**4,867.90**	**(31.49)**	**4,836.41**

Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

39.4 Effect of Ind AS adoption on the statement of profit and loss

	Particulars	Notes	For the year ended March 31, 2016 (End of last period presented under previous GAAP)		
			Previous GAAP	Effect of transition to Ind AS	Ind AS
I	Revenue from operations	g,h	3,646.82	298.15	3,944.97
II	Other Income	k	36.04	0.95	36.99
III	**Total Income (I + II)**		**3,682.86**	**299.10**	**3,981.96**
IV	**EXPENSES**				
	Cost of materials consumed		1,749.61	-	1,749.61
	Purchases of stock-in-trade		35.04	-	35.04
	Changes in inventories of finished goods, work-in-progress and stock-in-trade		10.52	-	10.52
	Excise duty on sale of goods	g	-	305.55	305.55
	Employee benefits expense	j	303.54	(3.08)	300.46
	Finance costs	c,f	93.53	1.90	95.43
	Depreciation and amortisation expense	a,b,e	250.77	(17.66)	233.11
	Other expenses	b,h	742.40	(5.98)	736.42
	Total Expenses (IV)		**3,185.41**	**280.73**	**3,466.14**

Particulars		Notes	For the year ended March 31, 2016 (End of last period presented under previous GAAP)		
			Previous GAAP	Effect of transition to Ind AS	Ind AS
V	**Profit before tax (III - IV)**		**497.45**	**18.37**	**515.82**
VI	**Tax Expense**		136.58	7.37	143.95
VII	**Profit for the period (V - VI)**		**360.87**	**11.00**	**371.87**
VIII	**Other comprehensive income**	m			
	A (i) Items that will not be reclassified to profit or loss				
	- Gain / (loss) of defined benefit obligation	d	-	(3.16)	(3.16)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	p	-	1.09	1.09
	B (i) Effective portion of gain / (loss) on hedging instruments in a cash flow hedge				
	- Effective portion of gain / (loss) on hedging instruments in a cash flow hedge	o	-	1.20	1.20
	(ii) Income tax relating to items that will be reclassified to profit or loss	p	-	(0.41)	(0.41)
	Total other comprehensive income (A(i+ii) + B(i+ii))		**-**	**(1.28)**	**(1.28)**
IX	**Total comprehensive income for the period (VII + VIII)**		**360.87**	**9.72**	**370.59**

Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

39.5 Effect of Ind AS adoption on the statement of cash flows

Particulars	Notes	Year ended March 31, 2016 (End of last period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Previous GAAP				
Net cash flows from operating activities		819.27	-	819.27
Net cash flows from investing activities		(578.17)	-	(578.17)
Net cash flows from financing activities		(17.81)	-	(17.81)
Net increase (decrease) in cash and cash equivalents	n	**223.29**	**-**	**223.29**
Cash and cash equivalents at beginning of period		57.05	-	57.05
Cash and cash equivalents at end of period		**280.34**	**-**	**280.34**

39.6 Notes to first time adoption

(a) "The Company has elected to recognise its property, plant and equipment (PPE) on fair value as on April 1, 2015 and use that as its deemed cost as of transition date. As on the transition date such fair value adjustment amounting to ₹ 49.49 Crores is done in retained earnings in the opening balance sheet and corresponding changes in depreciation amounting to ₹ 18.36 Crores in financial year 2015-16 and gain of ₹ 1.61 Crores on disposal of such PPE has been adjusted in the statement of profit and loss.

Spares, other than insurance spares were classified as inventory under existing IGAAP. However under Ind-AS, spare parts are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment. Such stores and spares amounting to ₹ 33.93 Crores have been capitalised under Ind AS at the transition date. In relation to spares reclassified from stores and spares to Property, plant and equipment as on transition date, there is no consumption under Indian GAAP during FY 15-16. Under Ind AS for the year ended March 31, 2016, the Company has recorded ₹ 1.33 Crores as the depreciation on such spares in statement of profit or loss.

(b) Under previous GAAP, the leasehold land was considered as part of property, plant and equipment and treated as perpetual lease. Accordingly, in FY 2015-16 no amortisation was charged. As per Ind AS-17 leasehold land of ₹ 95.50 Crores has now been classified as operating lease and the premium paid on leasehold land is amortized over the period of the lease which amounts to ₹ 1.00 crores in financial year 2015-16. The proportionate unamortized amount of ₹ 5.39 Crores upto the date of transition is adjusted against retained earnings in the opening balance sheet.

(c) Under previous GAAP, transaction costs incurred in connection with borrowings are amortised over the period of borrowings. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in profit or loss over the tenure of the borrowings as part of interest expense using effective interest rate method. Further, as per previous GAAP such unamortised amount was disclosed as prepaid assets which as per Ind AS now are netted off with the related borrowings.

(d) Under previous GAAP in respect of defined benefit plan, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses forming part of re-measurement of the net defined benefit liability / asset is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. There is no impact on the total equity.

(e) Under previous GAAP, goodwill is amortised. Under Ind AS, goodwill is not amortised but to be tested for impairment. Accordingly, adjustment has been passed for reversal of amortisation of ₹ 0.37 Crore booked under Indian GAAP for the year ended March 31, 2016.

(f) Under previous GAAP, deferred payment consideration payable in relation to a business combination was recorded at the contractual value. Under Ind AS such consideration is required to be measured at fair value. Difference between carrying amount of liability and fair value at the transition date is recorded in retained earnings. For the year ended on March 31, 2016, increase in interest cost was charged in the statement of profit and loss.

(g) Under previous GAAP, revenue from sale of goods was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of goods includes excise duty. The corresponding excise duty expense of ₹ 305.55 Crores is presented separately on the face of the statement of profit and loss. The change does not affect total equity as on April 1, 2015 and March 31, 2016 and profit for the year ended March 31, 2016.

(h) Under previous GAAP, cash discount was shown under other expenses. However, under Ind AS, sale of goods is presented net of cash discount of ₹ 7.40 Crores. Thus sale of goods under Ind AS has decreased for the year ended March 31, 2016 with a corresponding decrease in other expenses. The change does not affect total equity as on April 1, 2015 and March 31, 2016 and profit for the year ended March 31, 2016.

(i) Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Difference between the fair value and transaction value of the security deposits has been recognised as prepaid rent is amortised over the lease period on straight line basis. Notional interest income on such deposits is recognised over the lease period using effective interest method. There is no impact on retained earnings at the transition date. For the year ended March 31, 2016 the amortisation of expense and interest income was taken to statement of profit and loss under the head other expenses and other income respectively.

(j) Under the previous GAAP, the loan given by the Company to its employees were carried at book value. However, under Ind AS, these loans are required to be measured initially at fair value on the date of transition and subsequently at amortized cost. Difference between the fair value and transaction value of such loan to employees has been recognised as prepaid employee benefit expense is amortised over the loan period on straight line basis. Notional interest income on such loans is recognised over the loan period using effective interest method. There is no impact on retained earnings at the transition date. For the year ended March 31, 2016 the amortisation of such prepaid personnel expenditure and interest income was taken to statement of profit and loss under the head employee benefit expense and other income respectively.

(k) Under the previous GAAP, investment in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and net realisable value. Under Ind AS, these investments are required to be measured at fair value through profit & loss (FVTPL). The resulting fair value changes of these investments ₹ 1.56 Crores have been recognised in retained earnings as at the date of transition and subsequently ₹ 1.47 Crores in the profit and loss for the year ended March 31, 2016.

(l) Under previous GAAP, financial guarantees were not recognised in the balance sheet. The guarantee commission charged by the Company was recorded as income on accrual basis. Under Ind AS, financial guarantee contracts are accounted as financial liabilities and measured initially at fair value and subsequently as given in note 1.B.20. Accordingly, as at April 1, 2015 a financial liability has been recognised with a corresponding debit to the retained earnings and differential impact for the year ended March 31, 2016 was taken in statement of profit and loss.

(m) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.

(n) The transition from Indian GAAP to Ind-AS had no significant impact on cash flows generated by the Company.

(o) Under Ind AS, effective portion of fair value gains and losses of hedging instruments designated in a cash flow hedge relationship is recognised in other comprehensive income and taken to FVTOCI reserve in equity, whereas under previous GAAP there was no such concept of other comprehensive income and all such gains and losses were directly recognised in cash flow hedge reserves in other equity. Consequently, the tax effect of the same has also been recognised in other comprehensive income under FVTOCI reserve.

(p) Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. Such adjustments amounting to ₹ 51.83 Crores as at March 31, 2016 and ₹ 58.12 Crores as at April 1, 2015.

(q) Under previous GAAP, MAT credit forms part of non-current assets which as per the requirements of Ind AS 12 has been shown as a part of deferred tax liabilities (net). (As at March 31, 2016: ₹ 95.43 Crores, As at April 1, 2015: ₹ 76.16 Crores)

(r) Grouping of Mark to Market (MTM) of interest rate swaps designated in hedge relationship through Other Comprehensive Income. (As at March 31, 2016: ₹ 1.70 Crores, As at April 1, 2015: ₹ 1.60 Crores)

40 ADDITIONAL DISCLOSURES

(a) RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹ 137.19 crores (Previous Year - ₹ 78.90 crores) included in notes 2 to 28 above are as under:

	For the year ended March 31, 2017	For the year ended March 31, 2016
Capital Expenditure	65.27	22.30
Revenue Expenditure	71.92	56.60
	137.19	**78.90**

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
Cost of material consumed	2.15	1.46
Salaries and wages, including bonus	26.18	21.95
Contribution to provident and other funds	1.55	1.41
Workmen and staff welfare expenses	2.16	1.83
Stores and spares consumed	4.30	4.10
Power and fuel	3.25	2.31
Rent	0.98	1.07
Repairs and maintenance		
- Buildings	0.02	0.73
- Plant and machinery	9.13	5.47
- Others	1.58	1.38
Insurance	0.31	0.24
Rates and taxes	0.05	0.05
Travel	2.82	1.42
Professional and legal charges	3.64	2.41
Depreciation and amortisation expense	11.10	8.06
Miscellaneous expenses	2.70	2.71
	71.92	**56.60**

(b) MANAGERIAL REMUNERATION

	Year Ended March 31, 2017	Year Ended March 31, 2016
(i) (a) Chairman / Managing Director / Deputy Managing Director / Whole time Director		
Salary and contribution to provident and other funds	6.04	5.08
Value of Perquisites	3.02	2.91
Commission (Provided)	5.45	4.75
SUB-TOTAL	**14.51**	12.74
(b) Non Executive Directors		
Commission (Provided)	0.40	0.35
Directors' Sitting Fees	0.19	0.20
Other Fees	0.13	0.13
SUB-TOTAL	**0.72**	**0.68**
TOTAL	**15.23**	**13.42**

	Year Ended March 31, 2017	Year Ended March 31, 2016
ii) Computation of managerial remuneration in accordance with section 197 of the Companies Act, 2013		
Profit before taxation	548.07	515.82
Add:		
Managerial Remuneration including commission	15.23	13.42
Loss on sale / write off of fixed assets as per accounts	2.29	0.18

	Year Ended March 31, 2017	Year Ended March 31, 2016
Provision for Doubtful Debts / Advances / investments	(0.37)	0.43
Sub Total	**17.15**	**14.03**
Less:		
Profit on sale of fixed assets as per accounts	0.40	3.14
Dividend on current investments	-	0.18
Net Gain on financial assets measured at FVTPL	13.32	11.38
Excess Provision written back	0.31	5.46
Sub Total	**14.03**	**20.16**
Profit as per section 197 of the Companies Act, 2013	**551.19**	509.69
Maximum remuneration as commission and/or salary including perquisites @ 10% of net profit of ₹ 551.19 Crores (Previous Year - ₹ 509.69 Crores) which can be paid to Managing Directors / Whole time Directors under section 197 of the 2013 Act	55.12	50.97
Remuneration paid / payable to Managing Directors / Whole Time Directors	**14.51**	**12.74**
Maximum remuneration payable to Non-Executive Directors @ 1% of net profit of ₹ 551.19 Crores (Previous Year ₹ 509.69 Crores) under section 197 of the 2013 Act	5.51	5.10
Remuneration paid / payable to Non-Executive Directors	**0.72**	**0.68**

(c) The Company has elected to continue 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 difference gain of ₹ 19.68 Crores arising on all long term monetary items financed or re-financed on or before March 31, 2016 relating to acquisition of depreciable assets are deducted from the cost of such assets/capital work in progress and will be depreciated over the balance useful life of assets. The unamortised portion carried forward as at March 31, 2017 is ₹ 81.53 Crores.

(d) Details of loans and investments given on behalf of other companies are as under:

Entity	Nature of Investment / Guarantee	Purpose
Investment	Refer note 5 above	Trade investments
Guarantee details	Refer note 31 (g) below	Financial facilities sanctioned to subsidiaries by banks and other companies.

(e) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations/policy, the transfer pricing study for the year ended March 31, 2017 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) During the financial year 2016-17, the Company has incurred ₹ 7.60 Crores (previous Year – ₹ 8.75 Crores), being the amount required to be spent on corporate social responsibility activities under section 135 of the Companies Act 2013.

(g) Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016

(Amount in ₹)

Description	Denomination	SBN'S Numbers	Value	Other Denomination Notes	Total
Closing Cash in hand as on November 8, 2016	1,000	805	805,000		
	500	3,938	1,969,000		
			2,774,000	**1,236,579**	**4,010,579**
(+) Permitted receipts			-	5,796,770	5,796,770
(-) Permitted payments			-	(5,490,903)	(5,490,903)
(-) Amount deposited in banks	1,000	805	(805,000)	-	(805,000)
	500	3,938	(1,969,000)	-	(1,969,000)
			(2,774,000)	**305,867**	**(2,468,133)**
Closing cash in hand as on December 30, 2016			-	**1,542,446**	**1,542,446**

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN - 00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO & Company Secretary

Place : Gurgaon
Date : May 22, 2017

Independent Auditor's Report

TO THE MEMBERS OF SRF LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of SRF Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgements, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

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 the other auditors on separate financial statements of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the 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, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

Attention is invited to Note 33(b) to the accompanying financial statement, which sets out the position of the demand of Central Sales Tax, Value Added Tax and Entry Tax aggregating to ₹ 123.11 crores, including interest and penalty of ₹ 34.38 crores for the period from 2004 to 2013. The Company has filed writ petitions against such demand, on which, Hon'ble High Court of Madhya Pradesh ("Court") has granted stay on payment of 10% of the total demand in cash and remaining 90% as bank guarantee. The Management is of the view which is also confirmed by legal opinion that Company has a good case on merits and is confident of getting relief from the Court and, accordingly, no provision has been created.

Our opinion is not modified in respect of this matter.

Other Matters

(a) We did not audit the financial statements/ financial information of 6 subsidiaries viz., SRF Global B.V., SRF Industries (Thailand) Limited, SRF Industex Belting (Pty) Limited, SRF Flexipak (South Africa) (Pty) Limited, SRF Overseas Limited and SRF Holiday Home Limited whose financial statements reflect total assets of ₹ 1153.34 crores as at March 31, 2017, total revenues of ₹ 1003.85 crores and net cash outflows amounting to ₹ 19.80 crores for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS 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.

(b) The comparative financial information for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 in respect of 6 subsidiaries included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, 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 other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements referred in the Other Matters paragraph above, 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 Ind AS financial statements.

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

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group company are disqualified as on March 31, 2017 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary company, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's and its subsidiary company's incorporated in India internal financial controls over financial reporting.

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 33(a) to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts – Refer Note 34(III) to the consolidated financial statements.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary company incorporated in India.

iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on audit procedures performed and representations provided to us by the management we report that the disclosures are in accordance with the relevant books of account maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements – Refer Note 44(d) to the consolidated financial statements.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
Partner
(Membership No. 094468)

Place: Gurgaon
Date: May 22, 2017

Annexure "A" to the Independent Auditor's Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of SRF Limited (hereinafter referred to as "Parent") and its subsidiary company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Companies 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor of the subsidiary company incorporated in India, 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 system over financial reporting of the Parent and its subsidiary company, incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion 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 referred to in the Other Matter paragraph below, the Parent and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the companies 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.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company incorporated in India, is based solely on the corresponding reports of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
Partner
(Membership No. 094468)

Place: Gurgaon
Date: May 22, 2017

Consolidated Balance Sheet

As at March 31, 2017

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

Particulars	Note No.	As at March 31 , 2017	As at March 31 , 2016	As at April 01 , 2015
ASSETS				
Non-current assets				
Property, Plant and Equipment	4	4,319.25	4,013.35	3,822.97
Capital work-in-progress		258.58	117.44	104.12
Goodwill	5	4.91	4.91	4.91
Other Intangible assets	6	80.75	94.26	101.63
Financial Assets				
Investments	7	25.12	4.33	0.05
Loans	8	42.34	30.30	34.51
Deferred tax assets	9	222.86	129.70	114.29
Other non-current assets	11	157.94	175.70	109.30
Total non-current assets		**5,111.75**	**4,569.99**	**4,291.78**
Current assets				
Inventories	12	838.14	671.05	729.57
Financial Assets				
Investments	7	170.76	160.60	95.78
Trade receivables	13	656.89	514.48	610.65
Cash and cash equivalents	14	87.63	339.88	99.07
Bank balances other than above	15	8.49	49.35	8.22
Loans	8	14.26	11.52	9.30
Other financial assets	10	57.07	42.40	5.16
Other current assets	11	236.28	194.37	124.85
Total current assets		**2,069.52**	**1,983.65**	**1,682.60**
TOTAL ASSETS		**7,181.27**	**6,553.64**	**5,974.38**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	16	58.44	58.44	58.44
Other Equity	17	3,124.22	2,704.54	2,346.30
Total equity		**3,182.66**	**2,762.98**	**2,404.74**
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	18	1,431.86	1,940.47	1,827.07
Provisions	19	29.70	25.13	22.56
Deferred tax liabilities	9	506.86	382.03	318.60

Consolidated Balance Sheet (Contd.)

As at March 31, 2017

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

Particulars	Note No.	As at March 31 , 2017	As at March 31 , 2016	As at April 01 , 2015
Other non-current liabilities	23	29.92	21.84	17.43
Total Non - Current Liabilities		**1,998.34**	**2,369.47**	**2,185.66**
Current liabilities				
Financial Liabilities				
Borrowings	18	545.57	189.26	236.23
Trade payables	20	808.90	714.56	581.45
Other financial liabilities	21	524.15	435.84	480.27
Provisions	19	6.23	6.03	6.17
Current tax liabilities (Net)	22	3.69	3.12	5.42
Other current liabilities	23	111.73	72.38	74.44
Total Current Liabilities		**2,000.27**	**1,421.19**	**1,383.98**
Total Liabilities		**3,998.61**	**3,790.66**	**3,569.64**
TOTAL EQUITY AND LIABILITIES		**7,181.27**	**6,553.64**	**5,974.38**
Accompanying notes forming part of the consolidated financial statements	1 to 44			

In terms of our report attached
For **Deloitte Haskins and Sells**
Chartered Accountants

Vijay Agarwal
Partner

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN - 00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO &
Company Secretary

Place : Gurgaon
Date : May 22, 2017

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

	Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
I	Revenue from operations	24	5,136.59	4,898.27
II	Other income	25	73.01	27.84
III	**Total Revenue (I + II)**		**5,209.60**	**4,926.11**
IV	**Expenses**			
	Cost of materials consumed	26	2,389.17	2,278.48
	Purchases of stock-in-trade	26	51.07	35.04
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(21.84)	17.05
	Excise duty on sale of goods		314.79	305.55
	Employee benefits expense	27	433.80	386.33
	Finance costs	28	101.77	130.46
	Depreciation and amortisation expense	29	283.44	274.96
	Other expenses	30	1,000.21	913.30
	Total Expenses (IV)		**4,552.41**	**4,341.17**
V	**Profit before tax (III - IV)**		**657.19**	**584.94**
VI	**Tax Expense**	31		
	Current tax		116.49	107.51
	Deferred tax			
	MAT Credit		(58.89)	(19.27)
	Others		84.60	66.81
	Total tax expense		**142.20**	**155.05**
VII	**Profit for the period (V - VI)**		**514.99**	**429.89**
VIII	**Other comprehensive income**			
A	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans	17	0.28	(2.79)
	- Gain /(loss) on change in fair value of Equity instruments	17	(4.22)	-
(ii)	Income tax relating to items that will not be reclassified to profit or loss	32	0.13	1.09
B	(i) Items that will be reclassified to profit or loss			
	- Exchange differences on translation of foreign operations	17	5.07	(1.85)
	- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	17	15.23	1.20

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

	Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
	(ii) Income tax on items that will be reclassified to profit or loss	32	(5.27)	(0.41)
	Total other comprehensive income (A(i+ii) + B(i+ii))		**11.22**	**(2.76)**
IX	**Total comprehensive income for the period (VII + VIII)**		**526.21**	**427.13**
	Earning per equity share			
	Basic (in ₹)	38	89.69	74.87
	Diluted (in ₹)	38	89.69	74.87
	Accompanying notes forming part of the consolidated financial statements	1 to 44		

In terms of our report attached
For **Deloitte Haskins and Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Vijay Agarwal
Partner

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN - 00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO &
Company Secretary

Place : Gurgaon
Date : May 22, 2017

Consolidated Statement Of Changes In Equity

for the year ended March 31, 2017

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at April 1, 2015	58.44
Changes in equity share capital during the year	-
Balance at March 31, 2016	58.44
Changes in equity share capital during the year	-
Balance at March 31, 2017	58.44

(b) Other Equity

	Reserves and Surplus					Items of other comprehensive income			Total
	Capital reserve	General reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Foreign currency translation reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedge	
Balance at April 1, 2015	193.77	523.54	10.48	-	1,599.21	19.51	-	(0.21)	2,346.30
Profit for the year	-	-	-	-	429.89	-	-	-	429.89
Other comprehensive income for the year, net of income tax	-	-	-	-	(1.70)	(1.85)	-	0.79	(2.76)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**428.19**	**(1.85)**	**-**	**0.79**	**427.13**
Payment of dividend (₹10 per share)	-	-	-	-	(57.42)	-	-	-	(57.42)
Tax on Dividend	-	-	-	-	(11.70)	-	-	-	(11.70)
Disposal of interest in SRF Fluor Private Limited	-	0.23	-	-	-	-	-	-	0.23
Transfer to Debenture redemption reserve	-	-	-	50.00	(50.00)	-	-	-	-
Balance at March 31, 2016	**193.77**	**523.77**	**10.48**	**50.00**	**1,908.28**	**17.66**	**-**	**0.58**	**2,704.54**
Profit for the year	-	-	-	-	514.99	-	-	-	514.99
Other comprehensive income for the year, net of income tax	-	-	-	-	0.41	5.07	(4.22)	9.96	11.22
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**515.40**	**5.07**	**(4.22)**	**9.96**	**526.21**
Payment of dividend (₹ 12 per share)	-	-	-	-	(68.90)	-	-	-	(68.90)
Tax on Dividend	-	-	-	-	(14.03)	-	-	-	(14.03)

Consolidated Statement Of Changes In Equity

for the year ended March 31, 2017

(All amounts in ₹ Crores, unless otherwise stated)

	Reserves and Surplus					Items of other comprehensive income			Total
	Capital reserve	General reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Foreign currency translation reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedge	
Foreign Currency Translation Reserve on liquidation of subsidiary	-	-	-	-	-	(23.60)	-	-	(23.60)
Balance at March 31, 2017	**193.77**	**523.77**	**10.48**	**50.00**	**2,340.75**	**(0.87)**	**(4.22)**	**10.54**	**3,124.22**

Accompanying notes forming part of the consolidated financial statements 1 to 44

In terms of our report attached
For **Deloitte Haskins and Sells**
Chartered Accountants

Vijay Agarwal
Partner

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN - 00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO &
Company Secretary

Place : Gurgaon
Date : May 22, 2017

Consolidated Cash Flow Statement

for the year ended March 31, 2017

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	657.19	584.94
	Adjustments for:		
	Finance costs	101.77	130.46
	Interest Income	(5.01)	(5.18)
	Dividend on current investments	-	(0.18)
	Net gain on sale / discarding of property , plant and equipment	(0.40)	(3.16)
	Net gain on financial assets measured at FVTPL	(13.32)	(11.38)
	Provision for doubtful assets	0.16	9.45
	Depreciation and amortisation expense	283.44	274.96
	Property , plant and equipment discarded	2.15	0.18
	Net unrealised currency exchange fluctations gains	(8.25)	(2.70)
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets :		
	Trade receivables	(142.38)	86.80
	Inventories	(167.09)	58.52
	Loans (Current)	(2.92)	(2.31)
	Loans (Non-current)	(12.04)	4.20
	Other assets (Current)	(56.58)	(45.17)
	Other assets (Non-current)	(18.36)	(4.64)
	Adjustments for increase / (decrease) in operating liabilities		
	Trade payables	94.34	133.11
	Provisions	4.77	2.44
	Other liabilities (Non-current)	8.08	4.41
	Other liabilities (Current)	35.81	(15.97)
	Cash generated from operations	**761.36**	**1,198.77**
	Income taxes paid	(115.92)	(108.73)
	Net cash generated by operating activities	**645.44**	**1,090.04**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of non-current investments	(25.01)	(0.06)
	Payment for purchase of mutual funds	(600.00)	(510.00)
	Proceeds from sale of mutual funds	627.55	452.49
	Purchase of current investments (others)	(24.40)	-
	Interest received	5.02	4.74

Consolidated Cash Flow Statement

for the year ended March 31, 2017

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
	Bank balances not considered as cash and cash equivalents	40.86	(41.11)
	Payment for purchase of property, plant, equipment,capital work in progress and intangible assets	(673.99)	(587.60)
	Proceeds from disposal of property, plant and equipment	33.08	8.71
	Dividend on current investments	-	0.03
	Grant Received from Government of Republic of South Africa	3.64	6.06
	Net cash used in investing activities	**(613.25)**	**(666.74)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings (Non-current)	-	731.24
	Repayment of borrowings (Non-current)	(455.20)	(667.53)
	Net proceeds / (repayment) from borrowings (Current)	364.57	(44.61)
	Dividends on equity share capital paid	(68.90)	(57.46)
	Corporate dividend tax paid	(14.03)	(11.70)
	Finance costs paid	(110.88)	(132.43)
	Net cash used in financing activities	**(284.44)**	**(182.49)**
	Net increase / (decrease) in cash and cash equivalents	**(252.25)**	**240.81**
	Cash and cash equivalents at the beginning of the year	339.88	99.07
	Cash and cash equivalents at the end of the year	**87.63**	**339.88**

Accompanying notes forming part of the consolidated financial statements 1 to 44

In terms of our report attached
For **Deloitte Haskins and Sells**
Chartered Accountants

Vijay Agarwal
Partner

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN - 00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO &
Company Secretary

Place : Gurgaon
Date : May 22, 2017

Notes to the consolidated financial statements

for the year ended March 31, 2017

(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, 2013 ("the 2013 Act"). 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 C-8, Commercial Complex, Safdarjung Development Area, New Delhi – 110 016. The company's parent and ultimate holding 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 & polymers and packaging films.

The consolidated financial statements were approved for issue in accordance with a resolution of the directors on May 22, 2017

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the 2013 Act.

Up to the year ended March 31, 2016, the Group prepared the consolidated financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the 2013 Act.

These are the Group's first Ind AS consolidated financial statements. The date of transition to the Ind AS is April 1, 2015. Refer Note 43.1 for details of first-time adoption exceptions and exemptions availed by the Group.

2.2 Basis of preparation and consolidation

The consolidated financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

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, regardless of whether that price is directly observable or estimated using another valuation technique.

The principal accounting policies are set out below.

All assets and liabilities have been classified as current or non-current according to the Group's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months.

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

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

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company 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. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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

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, 2017	Proportion of ownership as at March 31, 2016	Proportion of ownership as at April 1, 2015
Indian Subsidiaries				
SRF Properties Limited	India	-	-	*
SRF Transnational holdings Limited	India	-	-	**
SRF Holiday Home Limited	India	100%	100%	100%
SRF Energy Limited	India	-	#	100%
SRF Fluorochemicals Limited	India	-	#	100%
Foreign Subsidiaries				
SRF Global BV	Netherlands	100%	100%	100%
"SRF Overseas Limited (100% subsidiary of SRF Global BV)"	British Virgin Islands	@	100%	100%
"SRF Industries (Thailand) Limited (100% subsidiary of SRF Global BV) "	Thailand	100%	100%	100%
"SRF Industex Belting (Pty) Limited (100% subsidiary of SRF Global BV)"	Republic of South Africa	100%	100%	100%
"SRF Flexipak (South Africa) (Pty) Limited (100% subsidiary of SRF Global BV)"	Republic of South Africa	100%	100%	100%

* Up to June 10, 2014

** Subsidiary up to April 1, 2014, now fellow subsidiary

Up to November 4, 2015

@ Upto March 7, 2017

The Company 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 Company does not exercise significant influence over Malanpur Captive Power Limited.

The Company 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 Company does not exercise significant influence over Vaayu Renewable Energy (Tapti) Private Limited.

2.3 Property, plant and equipment [PPE]

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

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

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

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

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

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

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

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

2.4 Depreciation

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

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

Roads	40-50 years
Buildings	30-60 years
Plant and machinery	2-30 years
Furniture and fixtures	15 years
Office equipment	3-20 years
Vehicles	4 years

Freehold land is not depreciated.

Depreciation is calculated on a pro rata basis except that, assets costing upto ₹ 5,000 each are fully depreciated in the year of purchase. An item of property, plant and equipment or any significant part initially recognised of such item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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

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 considering the terms of the business purchase agreements are as follows:

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

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

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

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

2.6 Research and development expenditure

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes. Such 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 (or Groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized 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

As at each balance sheet date, the carrying amount of cash generating units / assets is tested for impairment so as to determine:

(a) the provision for impairment loss, if any, required;

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.

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

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

(b) the reversal, if any, required of impairment loss recognized in previous periods.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the group estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

2.9 Leasing

Group as lessee:

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

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

Operating Leases as a lessee:

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

Finance leases as lessee:

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

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

2.10 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are expensed in the period in which they occur.

2.11 Foreign Currencies

a) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR/₹), which is the Group's functional and presentation currency.

b) Transaction and balances

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

(i) 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 & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

(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 charged off or credited to profit & loss account.

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 and stores & spares - 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.

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

(c) By products - At estimated realisable value Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Provisions and Contingent Liabilities

Provisions

The group recognised a provision when there is a present obligation (legal or constructive) as a result of past events and it is more likely than not that an outflow of resources would be required to settle the obligation and a reliable estimate can be made. When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.14 Revenue recognition

a) Sale of goods

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Sales of products is inclusive of excise duty and net off value added tax/sales tax.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable and the associated costs can be estimated reliably, there is no continuing management involvement with the goods nor it exercises effective control over the goods and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and cash discount. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales arrangement.

b) Interest and dividend income

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

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

2.15 Taxation

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

a) Current tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss account i.e. in Other comprehensive income

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the group has a legally enforceable right for such set off.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized 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.

Deferred tax assets/liabilities are recognised for all taxable temporary differences, except:

(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.

Deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

c) Minimum Alternate Tax (MAT)

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 Balance Sheet when it is probable that future economic benefit associated with it will flow to the group.

2.16 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. A government grant that becomes receivable as compensation for expenses or losses incurred in a previous period. Such a grant is recognised in profit or loss of the period in which it becomes receivable. Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the group recognizes as expenses the related costs for which the grants are intended to compensate.

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

2.17 Employee benefits

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

In case of the provident fund administered through Regional provident fund commissioner,the group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The group's contributions paid / payable during the year to provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund and Employees' State Insurance Corporation are recognised in the Statement of Profit and Loss as an expense when employees have rendered services entitling them to the contributions. Provision for gratuity, compensated absences, provident fund for certain category of employees administered through a recognised provident fund trust, legal severance and other long term retention pay are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss. The cost of providing these benefits is determined using the projected unit credit method.

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. It is included in retained earnings in the statement of changes in equity and the balance sheet

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 year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.19 Cash and cash equivalents

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

2.20 Financial instruments

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

A) Financial assets

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

Subsequent measurement

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

a) At amortised cost

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

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

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

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

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Equity instruments which are held for trading are measured at fair value through profit or loss For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

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

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income.

This cumulative gain or loss is not reclassified to profit and loss on disposal of such instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Investments in mutual fund are measured at fair value through profit or 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

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

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, security deposits, trade receivables and bank balance.

The group follows 'simplified approach' for recognition of impairment loss allowance on financial assets that do not contain a significant financing component.

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the group estimates the following provision matrix at the reporting date:"" ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

a) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount until the asset meets write-off criteria.

B) Financial liabilities and Equity instruments

Initial recognition and measurement

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

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

Subsequent measurement

Borrowings

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

Trade and other payables

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

Offsetting of financial instruments

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

Derecognition

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

Equity Instruments

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

2.21 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

At the inception of a hedge relationship, the group formally designates and documents the hedge relationship to which the group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the 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 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 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 statement of profit and loss.

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 sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in other comprehensive income remains separately in other equity until the forecast transaction occurs or the foreign currency firm commitment is met.

2.22 Fair value measurement

The group measures 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 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

2.23 Foreign Currency translation reserve

On consolidation, the assets and liabilities of foreign operations are translated into INR 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 Applicability of New and Revised Ind AS

Ind AS 7 has been amended in March 2017 to require an entity to enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The group is evaluating the requirements of the amendment and its effect on the consolidated financial statements. Further, the amendment to Ind AS 102 provides guidance to measurement of cash settled, modification of cash settled awards and awards that include a net settlement feature in respect of withholding taxes. This amendment is not applicable to the group.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Actual results may differ from the estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The group continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

A Significant accounting judgements

In the process of applying the group's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the financial statements:

1 Contingent Liabilities

In ordinary course of business, the group faces claims by various parties. The group assesses such claims and monitor the legal environment on an ongoing basis, with the assisting of external legal council,whereever necessary. The group records a liability for any claims where a potential loss probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the group provides the disclosures in the financial statements but does not record a liability in its financial statements unless the loss become probable.

2 The Company 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 Company does not exercise significant influence over Malanpur Captive Power Limited. The Company 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 Company does not exercise significant influence over Vaayu Renewable Energy (Tapti) Private Limited.

B Significant Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

1 Defined benefit plans/ Other Long term employee benefits

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

The parameter most subject to change is the discount rate. The management considers the interest rates of government securities based on expected settlement period of various plans.

Further details about various employee benefit obligations are given in Note 36.

2 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer note 40 for further disclosures of estimates and assumptions on fair valuation.

3 Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. The group establishes provision, based on reasonable estimates. The amount of such provisions is based on various factors such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences in interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

4 Useful lives of Property, plant and equipment and intangible assets

The group reviews the estimated useful lives at the end of each reporting period.

4 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying Amount of:			
Freehold Land	355.08	353.67	357.84
Roads	48.80	47.36	42.39
Buildings	708.14	654.82	647.89
Plant & Equipment	3,149.19	2,905.98	2,728.37
Furniture & Fixtures	18.84	17.41	16.30
Office Equipment	22.20	18.79	14.83
Vehicle	17.00	15.32	15.35
	4,319.25	**4,013.35**	**3,822.97**
Capital Work in Progress	**258.58**	**117.44**	**104.12**

	Freehold Land	Roads	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicle	Total
Cost or Deemed Cost								
Balance at April 1,2015	357.84	42.39	647.89	2,728.37	16.30	14.83	15.35	3,822.97
Additions (Note v & viii)	-	7.07	38.29	439.30	3.24	9.95	5.80	503.65
Disposals	(2.06)	-	-	(3.39)	(0.07)	(0.17)	(0.89)	(6.58)
Effect of foreign currency exchange difference	(2.11)	(0.82)	(11.13)	(37.51)	(0.20)	(0.22)	(0.02)	(52.01)
Balance at March 31,2016	**353.67**	**48.64**	**675.05**	**3,126.77**	**19.27**	**24.39**	**20.24**	**4,268.03**
Additions(Note v & viii)	0.39	2.92	68.86	480.46	3.49	10.40	8.96	575.48
Disposals	-	-	(1.79)	(38.87)	(0.02)	(0.73)	(2.36)	(43.77)
Effect of foreign currency exchange difference	1.02	0.52	6.98	22.86	0.13	0.15	0.03	31.69
Balance at March 31,2017	**355.08**	**52.08**	**749.10**	**3,591.22**	**22.87**	**34.21**	**26.87**	**4,831.43**
Accumulated depreciation and impairment								
Balance at April 1,2015	-	-	-	-	-	-	-	-
Depreciation expenses (Note v & viii)	-	1.29	20.31	222.03	1.88	5.69	5.29	256.49
Eliminated on disposals of assets	-	-	-	(0.81)	(0.02)	(0.04)	(0.36)	(1.23)
Effect of foreign currency exchange difference	-	(0.01)	(0.08)	(0.43)	-	(0.05)	(0.01)	(0.58)
Balance at March 31,2016	**-**	**1.28**	**20.23**	**220.79**	**1.86**	**5.60**	**4.92**	**254.68**
Depreciation expenses (Note v & viii)	-	1.99	21.42	227.11	2.16	6.88	5.97	265.53

	Freehold Land	Roads	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicle	Total
Eliminated on disposals of assets	-	-	(0.83)	(6.53)	-	(0.55)	(1.02)	(8.93)
Effect of foreign currency exchange difference	-	0.01	0.14	0.66	0.01	0.08	-	0.90
Balance at March 31,2017	**-**	**3.28**	**40.96**	**442.03**	**4.03**	**12.01**	**9.87**	**512.18**
Carrying Amount								
Balance at April 1,2015	357.84	42.39	647.89	2,728.37	16.30	14.83	15.35	3,822.97
Additions	-	7.07	38.29	439.30	3.24	9.95	5.80	503.65
Disposals	(2.06)	-	-	(2.58)	(0.05)	(0.13)	(0.53)	(5.35)
Depreciation expenses	-	1.29	20.31	222.03	1.88	5.69	5.29	256.49
Effects of foreign currency exchange differences	(2.11)	(0.81)	(11.05)	(37.08)	(0.20)	(0.17)	(0.01)	(51.43)
Balance at March 31,2016	**353.67**	**47.36**	**654.82**	**2,905.98**	**17.41**	**18.79**	**15.32**	**4,013.35**
Additions	0.39	2.92	68.86	480.46	3.49	10.40	8.96	575.48
Disposals	-	-	(0.96)	(32.34)	(0.02)	(0.18)	(1.34)	(34.84)
Depreciation expenses	-	1.99	21.42	227.11	2.16	6.88	5.97	265.53
Effects of foreign currency exchange differences	1.02	0.51	6.84	22.20	0.12	0.07	0.03	30.79
Balance at March 31,2017	**355.08**	**48.80**	**708.14**	**3,149.19**	**18.84**	**22.20**	**17.00**	**4,319.25**

Notes:

(i) Borrowing cost capitalised to capital work in progress during the year ₹ 11.85 Crores (2016: 2.01 crores).

(ii) The deed of assignment in respect of freehold at Manali, Chennai has been executed in respect of 135.02 acres (2016: 135.02 acres, 2015: 135.02 acres). In addition to aforesaid extent, 1.47 acres were handed over to SRF limited under a land delivery receipt. During the previous year the group has sold 1.03 acres of land. Thus, the group is in possession of 135.46 acres of industrial land at Manali, Chennai.

(iii) Conveyancing of buildings and other superstructures located at group's plant at Malanpur in the state of Madhya Pradesh including immovable machinery is linked to the Stamp duty matter (Refer note 33).

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

(v) Capital expenditure incurred during the year includes ₹65.27 Crores (2016 - ₹ 22.30 crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 44 (a) below.

(vi) Capital work in progress includes pre-operative expenses of ₹ 6.35 crores (2016: 4.21 crores, 2015: 2.15 crores)

(vii) Refer to note 18.1 for information on PPE pledged as security by the group.

(viii) Refer to note 44 (c)

(ix) The group has opted to use fair value as deemed cost for item PPE which the fair value of such PPE as on April 1, 2015 is Rs 3,789.04 crores. The carrying amount of such assets as on April 1, 2015 reported under previous GAAP was Rs 3,720.29 crores

5 GOODWILL

	As at March 31 , 2017	As at March 31 , 2016	As at April 1 , 2015
Cost or deemed cost	4.91	4.91	4.91
Accumulated impairment losses	-	-	-
	4.91	**4.91**	**4.91**
Cost or deemed cost			
Balance at April 1, 2015	4.91		
Additions	-		
Disposals	-		
Balance at March 31, 2016	4.91		
Additions	-		
Disposals	-		
Balance at March 31, 2017	4.91		
Accumulated Impairment losses			
Balance at April 1, 2015	-		
Additions	-		
Disposals	-		
Balance at March 31, 2016	-		
Additions	-		
Disposals	-		
Balance at March 31, 2017	-		
Allocation of goodwill to cash generating units			
Goodwill has been allocated for impairment testing purposes to the following cash generating units.			
-SRF Industex Belting Proprietary Limited (Technical textile unit)			
-SRF Industries Thailand Limited (Technical textile unit)			
-Engineering plastics units			
-Industrial yarn unit			

For impairment testing the carrying amount of goodwill was allocated to cash generating units as follows:

	As at March 31 , 2017	As at March 31 , 2016	As at April 1 , 2015
SRF Industex Belting Proprietary Limited (Technical textile unit)	0.83	0.83	0.83
SRF Industries Thailand Limited (Technical textile unit)	2.67	2.67	2.67
Engineering plastics units	0.79	0.79	0.79
Industrial yarn unit	0.62	0.62	0.62
	4.91	**4.91**	**4.91**

SRF Industex Belting Proprietary Limited (Technical textile unit)

The recoverable amount of this CGU is determined based on a value in use calculation which use cash flow projections based on financial budget approved by the directors of the group covering a five year period and a discount rate of 10% per annum (2016: 10%, 2015: 10%). Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. Basis on the above impairment testing, no impairment losses have been recognised

SRF Industries Thailand Limited (Technical textile unit)

The recoverable amount of this CGU is determined based on a value in use calculation which use cash flow projections based on financial budget approved by the directors of the group covering a five year period and a discount rate of 10% per annum (2016: 10%, 2015: 10%). Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. Basis on the above impairment testing, no impairment losses have been recognised

Engineering plastics units

The recoverable amount of this CGU is determined based on a value in use calculation which use cash flow projections based on financial budget approved by the directors of the Company covering a five year period and a discount rate of 10% per annum (2016: 10%, 2015: 10%). Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flow beyond the five year period have been extrapolated using Nil (2016: Nil, 2015: Nil) growth rate. Basis on the above impairment testing, no impairment losses have been recognised

Industrial yarn unit

The recoverable amount of this CGU is determined based on a value in use calculation which use cash flow projections based on financial budget approved by the directors of the Company covering a five year period and a discount rate of 10% per annum (2016: 10%, 2015: 10%). Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flow beyond the five year period have been extrapolated using Nil (2016: Nil, 2015: Nil) growth rate. Basis on the above impairment testing, no impairment losses have been recognised

6 OTHER INTANGIBLE ASSETS

	As at March 31 , 2017	As at March 31 , 2016	As at April 1 , 2015
Trade Marks/Brands	67.59	71.73	71.71
Technical Knowhow	0.84	1.91	2.98
Software	7.83	8.70	9.21
Others	4.49	11.92	17.73
	80.75	**94.26**	**101.63**

	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost or Deemed Cost					
Balance at April 1, 2015	71.71	2.98	9.21	17.73	101.63
Additions / Adjustments*	4.03	-	5.92	1.15	11.10
Disposals	-	-	-	-	-
Balance at March 31, 2016	**75.74**	**2.98**	**15.13**	**18.88**	**112.73**
Additions / Adjustments*	(0.53)	-	5.07	(0.14)	4.40
Disposals	-	-	-	-	-
Balance at March 31, 2017	**75.21**	**2.98**	**20.20**	**18.74**	**117.13**

	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Accumulated amortisation and impairment					
Balance at April 1, 2015	-	-	-	-	-
Amortisation expenses	4.01	1.07	6.43	6.96	18.47
Disposals	-	-	-	-	-
Balance at March 31, 2016	**4.01**	**1.07**	**6.43**	**6.96**	**18.47**
Amortisation expenses	3.61	1.07	5.94	7.29	17.91
Disposals	-	-	-	-	-
Balance at March 31, 2017	**7.62**	**2.14**	**12.37**	**14.25**	**36.38**
Carrying Amount					
Balance at April 1, 2015	71.71	2.98	9.21	17.73	101.63
Additions*	4.03	-	5.92	1.15	11.10
Disposals	-	-	-	-	-
Amortisation expenses	4.01	1.07	6.43	6.96	18.47
Balance at March 31, 2016	**71.73**	**1.91**	**8.70**	**11.92**	**94.26**
Additions*	(0.53)	-	5.07	(0.14)	4.40
Disposals	-	-	-	-	-
Amortisation expenses	3.61	1.07	5.94	7.29	17.91
Balance at March 31, 2017	**67.59**	**0.84**	**7.83**	**4.49**	**80.75**

(i) *Refer to note 44 (c)

7 INVESTMENTS

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
Investment in equity instruments	0.12	4.33	0.05
Other Investments	25.00	-	-
	25.12	**4.33**	**0.05**
Current			
Investment in equity instruments	-	-	4.22
Investment in mutual funds	146.36	160.60	91.56
Other Investments	24.40	-	-
	170.76	**160.60**	**95.78**
Aggregate value of unquoted investments	49.52	4.33	4.27
Aggregate value of unquoted mutual funds	146.36	160.60	91.56
Aggregate value of dimunation other than temporary, in value of investments.	4.34	0.12	0.12

7.1 Investment in subsidiaries

Investment in equity instruments at fair value through other comprehensive income

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number	Amount	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 : Provision for diminution in value		(4.22)		-		
Equity Share of ₹ 10 Each Vaayu Renewable Energy (Tapti) Private Limited	50,000	0.05	50,000	0.05	50,000	0.05
Equity Shares of ₹ 10 Each Suryadev Alloys & Power Private Limited	4,000	0.06	4,000	0.06	-	
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	670,000	0.12	670,000	0.12	670,000	0.12
Less : Provision for diminution in value		(0.12)		(0.12)		(0.12)
Equity shares of ₹ 0.19 each fully paid up of OPGS Power Gujarat Private Limited	475,000	0.01				
		0.12		**4.33**		**0.05**
Unquoted investments (Current)						
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	-	-	-	-	4,221,535	4.22
		-		-		4.22

7.2 Investment in mutual funds

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number	Amount	Number	Amount	Number	Amount
Unquoted (Current)						
Investments at Fair Value Through Profit and Loss						
ICICI Prudential FMP Series 73 - 392 Days Plan F Regular Plan Cumulative	-	-	-	-	5,000,000	5.50
SBI Debt Fund Series- A 11 385 Days - Regular - Growth	-	-	-	-	10,000,000	10.92
ICICI Prudential Savings Fund-Regular Plan-Growth	-	-	-	-	3,614,674	75.14
ICICI Prudential P1543 Saving Fund-Growth Plan	3,612,365	88.34	3,612,365	81.14	-	-
Religare Invesco Credit Opportunities Fund-Growth Plan	312,529	58.02	312,529	54.06	-	-
Kotak Treasury Advantage Fund-Growth Plan	-	-	10,516,707	25.40	-	-
		146.36		**160.60**		**91.56**

7.3 Other Investments at amortised cost

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number	Amount	Number	Amount	Number	Amount
Non Current						
Non convertible debentures of ₹1,00,000 each of Reliance capital Limited	2,500	25.00	-	-		-
	-	**25.00**	-	-		-
Current						
Commercial papers of Reliance Infrastructure Limited	-	24.40	-			-
	-	**24.40**	-	-		-

8 LOANS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non- current			
Loans to Employees	6.70	7.34	6.35
Security Deposits	35.64	22.31	27.40
Others			
- Considered good	-	0.65	0.76
- Considered doubtful	0.15	0.15	0.10
Less : Provision for doubtful loans	(0.15)	(0.15)	(0.10)
	42.34	**30.30**	**34.51**
Current			
Loans to Employees	5.99	6.86	5.12
Security Deposits	8.27	4.66	2.84
Others			
- Considered good	-	-	1.34
- Considered doubtful	2.74	2.81	2.97
Less : Provision for doubtful loans	(2.74)	(2.81)	(2.97)
	14.26	**11.52**	**9.30**

9 DEFERRED TAX BALANCES

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

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deferred tax assets	222.86	129.70	114.29
Deferred tax liabilities	(506.86)	(382.03)	(318.60)
Total	**(284.00)**	**(252.33)**	**(204.31)**

2016-17	**Opening Balance**	**Recognised in P&L**	**Recognised in OCI**	**FCTR for the year**	**Closing Balance**
Deferred tax assets					
Expenses deductible in future years	12.38	1.64	-	0.12	14.14
Provision for doubtful debts / advances	2.55	(0.22)	-	0.15	2.48
MAT Credit Entitlement	95.43	58.89	-	-	154.32
Unabsorbed carried forward losses	1.94	27.18	-	3.18	32.30
Others	17.40	0.88	-	1.34	19.62
	129.70	88.37	-	4.79	222.86
Deferred tax liabilities					
Property plant & equipment and intangible assets	(379.56)	(110.43)	-	(5.46)	(495.45)
Investment in mutual funds	(1.05)	(3.72)	-	-	(4.77)
Cash flow hedges	(0.30)	-	(5.27)	-	(5.57)
Others	(1.12)	0.07	-	(0.02)	(1.07)
	(382.03)	(114.08)	(5.27)	(5.48)	(506.86)
Total	**(252.33)**	**(25.71)**	**(5.27)**	**(0.69)**	**(284.00)**

2015-16	Opening Balance	Recognised in P&L	Recognised in OCI	FCTR for the year	Closing Balance
Deferred tax assets					
Expenses deductible in future years	12.17	0.46	-	(0.25)	12.38
Provision for doubtful debts / advances	1.68	1.00	-	(0.13)	2.55
MAT Credit Entitlement	76.16	19.27	-	-	95.43
Unabsorbed carried forward losses	8.94	(1.68)	-	(5.32)	1.94
Others	15.34	4.00	-	(1.94)	17.40
	114.29	23.05	-	(7.64)	129.70
Deferred tax liabilities					
Property plant & equipment and intangible assets	(316.42)	(70.72)	-	7.58	(379.56)
Investment in mutual funds	(0.54)	(0.51)	-	-	(1.05)
Cash flow hedges	0.11	-	(0.41)	-	(0.30)
Others	(1.75)	0.64	-	(0.01)	(1.12)
	(318.60)	(70.59)	(0.41)	7.57	(382.03)
Total	**(204.31)**	**(47.54)**	**(0.41)**	**(0.07)**	**(252.33)**

Notes:

(a) At March 31, 2017, there was no recognised deferred tax liability (March 31, 2016: Nil and April 1, 2015: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries. The Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

(b) There are capital losses of ₹ 286.27 Crores (March 31, 2016 : ₹ 286.27 Crores and April 1, 2015 : ₹ 289.93 Crores) on which no deferred tax asset has been created due to lack of probability of future capital gains against which such deferred tax assets can be realised. These capital losses would expire upto financial year ending March 31, 2023.

10 OTHER FINANCIAL ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current			
Derivatives designated and effective as hedging instruments carried at fair value through Profit & loss account			
- Foreign currency forward contracts designated in hedge accounting relationships	5.60	0.14	2.47
Derivatives designated and effective as hedging instruments carried at fair value through Other comprehensive income			

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
- Foreign currency forward contracts designated in hedge accounting relationships	11.30	2.58	1.29
- Interest rate swaps designated in hedge accounting relationships	4.80	-	-
Claim Recoverable	34.06	38.29	0.01
Others	1.31	1.39	1.39
	57.07	**42.40**	**5.16**

11 OTHER ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non-Current			
Capital Advances	38.79	74.90	13.13
Prepaid expenses	0.10	0.15	0.14
Cenvat/Service tax/sales tax/VAT recoverable	19.59	4.80	4.82
Claims recoverable	6.23	0.85	0.85
Prepaid lease*	92.83	94.44	90.12
Others	0.40	0.56	0.24
Total other non-current assets	**157.94**	**175.70**	**109.30**
Current			
Prepaid expenses	8.48	10.17	10.68
CENVAT/Service tax/VAT recoverable	116.61	74.57	68.50
Claims recoverable	63.48	55.54	16.09
Deposits with customs and excise authorities	7.64	3.11	1.97
Advance to suppliers			
Unsecured - considered good	37.48	46.30	24.76
- considered doubtful	-	-	0.05
Less : Provision for doubtful advances	-	-	(0.05)
Prepaid lease*	1.35	1.35	1.34
Others	1.24	3.33	1.51
Total other current assets	**236.28**	**194.37**	**124.85**

*The execution of lease deed of land in respect of 911336 sq. mtrs. (March 31, 2016 :911336 sq. mtrs; April 1, 2015 : 904910 sq. mtrs.) of leasehold land allotted to the group by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

12 INVENTORIES

(Lower of cost and net realisable value)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Raw material	414.41	290.06	333.91
Stock in progress	101.45	77.08	102.87
Finished goods	181.82	181.63	177.45
Stores and spares	138.59	119.64	113.35
Traded goods	1.87	2.64	1.99
	838.14	**671.05**	**729.57**
Included above, goods-in-transit:			
Raw material	152.19	113.76	110.31
Stock in progress	1.04	1.07	2.09
Finished goods	13.30	22.00	19.42
Stores and spares	0.19	0.31	0.20
Traded goods		-	0.54
	166.72	**137.14**	**132.56**

Notes

(i) The cost of inventories recognised as an expense during the year is ₹ 4205.91 Crores (2016: ₹ 4021.99 Crores)

(ii) The cost of inventories recognised as an expense includes ₹ 2.64 Crores (2016: ₹ 0.98 Crores) in respect of write-downs of inventory to net relisable value.

(iii) Refer to Note 18.1 for information on inventories pledged as security by the group

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

13 TRADE RECEIVABLES

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured, considered good	656.89	514.48	610.65
Unsecured, considered doubtful	15.15	17.15	10.26
Less: Allowance for doubtful debts	(15.15)	(17.15)	(10.26)
	656.89	**514.48**	**610.65**

Notes

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

(ii) Age of receivables:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Within the credit period	586.56	373.74	380.71
1 to 180 days past due	66.11	139.47	227.64
More than 180 days past due	19.37	18.42	12.56
	672.04	**531.63**	**620.91**

There are no major customer who represent more than 10% of the total balances of trade receivables.

14 CASH AND CASH EQUIVALENTS

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with Banks			
Current accounts	43.63	216.59	43.53
Savings account	35.35	23.67	3.29
Exchange Earners Foreign Currency (EEFC) accounts	8.04	6.53	1.63
Deposit accounts with maturity of three months or less	-	92.60	50.18
Cash in hand	0.61	0.49	0.44
	87.63	**339.88**	**99.07**

15 OTHER BANK BALANCES

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Earmarked Balances			
- Margin money	2.17	3.47	1.98
- Unclaimed dividend accounts	6.32	6.20	6.24
Other deposit accounts			
- Deposit accounts with maturity beyond three months upto twelve months	-	39.68	-
	8.49	**49.35**	**8.22**

16 SHARE CAPITAL

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Authorised share capital:			
12,00,00,000 (Previous Year - 12,00,00,000) Equity shares of ₹ 10 each	120.00	120.00	120.00
10,00,000 (Previous Year - 10,00,000) Preference shares of ₹ 100 each	10.00	10.00	10.00
12,00,000 (Previous Year - 12,00,000) Cumulative Preference shares of ₹ 50 each	6.00	6.00	6.00
2,00,00,000 (Previous Year - 2,00,00,000) Cumulative Preference shares of ₹ 100 each	200.00	200.00	200.00
	336.00	**336.00**	**336.00**
Issued capital:			
6,14,77,255 (Previous Year - 6,14,77,255) Equity Shares of ₹ 10 each	**61.48**	**61.48**	**61.48**
Subscribed capital:			
5,74,20,500 (Previous Year - 5,74,20,500) Equity Shares of ₹ 10 each fully paid up	57.42	57.42	57.42
Add: Forfeited shares - Amount originally paid up	1.02	1.02	1.02
	58.44	**58.44**	**58.44**

16.1 Fully paid equity shares

	Number of shares	Amount
Balance at April 1, 2015	57,420,500	57.42
Add / Less: Movement during the year	-	-
Balance at March 31, 2016	57,420,500	57.42
Add / Less: Movement during the year	-	-
Balance at March 31, 2017	**57,420,500**	**57.42**

The Company has bought back Nil equity shares in aggregate in the last five financial years.

Terms/ rights attached to equity shares :

The group 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 group declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the group.

During the year ended March 31, 2017, the amount of interim dividend recognised as distributions to equity shareholders was ₹ 12 per share (2016 : ₹ 10 per share, 2015: ₹ 10 per share).

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

16.2 Details of shares held by the holding company

Number of fully paid ordinary shares	**As at March 31, 2017**
As at March 31, 2017	
KAMA Holdings Limited, the Holding group	30,049,000
As at March 31, 2016	
KAMA Holdings Limited, the Holding group	30,049,000
As at April 1, 2015	
KAMA Holdings Limited, the Holding group	3,00,00,000

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

Class of shares / Name of shareholder	**As at March 31, 2017**		As at March 31, 2016		As at April 1, 2015	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid equity shares						
Kama Holdings Limited	3,00,49,000	52.33%	3,00,49,000	52.33%	3,00,00,000	52.25%
Amansa Holding Private Limited	37,29,559	6.50%	31,83,780	5.54%	23,70,228	4.13%

17 OTHER EQUITY

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
General reserve	523.77	523.77	523.54
Retained earnings	2,340.75	1,908.28	1,599.21
Cash flow hedging reserve	10.54	0.58	(0.21)
Capital redemption reserve	10.48	10.48	10.48
Capital reserve	193.77	193.77	193.77
Debenture redemption reserve	50.00	50.00	-
Foreign currency translation reserve	(0.87)	17.66	19.51
Reserve for equity instruments through other comprehensive income	(4.22)	-	-
	3,124.22	**2,704.54**	**2,346.30**

17.1 General reserve

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of year	523.77	523.54
Disposal of interest in SRF Flour Private Limited	-	0.23
Balance at end of year	**523.77**	**523.77**

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

17.2 Retained earnings

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of year	1,908.28	1,599.21
Profit for the year	514.99	429.89
Other comprehensive income arising from measurement of defined benefit obligation*	0.41	(1.70)
Payments of dividend on equity shares	(68.90)	(57.42)
Corporate tax on dividend	(14.03)	(11.70)
Transfer to Debenture Redemption Reserve	-	(50.00)
Balance at end of year	**2,340.75**	**1,908.28**

The amount that can be distributed as dividend by the group to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. The amounts reported above are not distributable in entirety.

*net of income tax of ₹ 0.13 crore (2016: ₹ 1.09 crores)

17.3 Cash flow hedging reserve

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of year	0.58	(0.21)
Recognized/(reclassed) during the year	15.23	1.20
Income tax related to above	(5.27)	(0.41)
Balance at end of year	**10.54**	**0.58**

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 Capital redemption reserve

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of year	10.48	10.48
Movement	-	-
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.

17.5 Capital reserve

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of year	193.77	193.77
Movement	-	-
Balance at end of year	**193.77**	**193.77**

17.6 Debenture redemption reserve

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of year	50.00	-
Tranfer from retained earnings	-	50.00
Balance at end of year	**50.00**	**50.00**

The group has issued non convertible debentures in Financial Year 2014-15 and as per the provisions of the 2013 Act ,it is required to create debenture redemption reserve out of the profits available for payment of dividend.

17.7 Reserve for equity instruments through other comprehensive income

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of year	-	
Net fair value gain on investment in equity instruments at FVTOCI	(4.22)	-
Balance at end of year	**(4.22)**	**-**

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

17.8 Foreign Currency Translation reserve

	As at March 31, 2017	As at March 31, 2016
Balance at beginning of year	17.66	19.51
Exchange differences arising on translation of foreign operations	5.07	(1.85)
Foreign currency translation reserve on liquidation of subsidiary	(23.60)	-
Balance at end of year	**(0.87)**	**17.66**

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 Profit and loss on disposal of foreign operation.

18 BORROWINGS

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non-current			
Secured			
2,000 Nos. (2016: 2,000 Nos. 2015: 2,000), 9.8%, listed, secured Redeemable Non-convertible Debentures of ₹ 10 lakhs each [1]*	199.92	199.71	199.50
Term Loans from banks [2]*	1,084.27	1,285.57	1,102.24
Term Loans from Others [3]*	541.48	671.74	510.95
Less: Current maturities of non-current borrowings	(418.78)	(254.22)	(282.25)
	1,406.89	**1,902.80**	**1,530.44**
Unsecured			
Deferred payment liabilities	24.97	37.67	46.75
Term Loans from Banks *	-	131.30	374.15
Less: Current maturities of non-current borrowings	-	(131.30)	(124.27)
	24.97	37.67	296.63
	1,431.86	**1,940.47**	**1,827.07**
*Above amount of borrowings are net of upfront fees paid ₹ 8.48 Crores (March 31, 2016 - ₹ 12.51 Crores, April 1, 2015 - ₹11.81 Crores)			
Current			
Secured			
Cash credits from banks [4(i)]	22.14	23.91	34.62
Term loans from banks [4 (ii)]	227.33	99.21	46.85
	249.47	**123.12**	**81.47**
Unsecured			
Term loans from banks*	296.10	66.14	154.14
Others	-	-	0.62
	296.10	**66.14**	**154.76**
	545.57	**189.26**	**236.23**

*Includes Nil (As on March 31, 2016 - Nil and As on April 1, 2015 ₹ 50.00 Crores) for Commercial Paper issued by the group. The maximum amount due during the year is ₹ 125.00 Crores (2015-16 - ₹ 150.00 Crores and 2014-15 ₹ 125.00 Crores)

There has been no breach of convenants mentioned in the loan agreements during the reporting periods.

18.1 Details of security of the secured loans

A. As at March 31, 2017 and March 31, 2016

	Details of loan	As at March 31, 2017	As at March 31, 2016	Security
	Non current			
1	2,000 (Previous Year – 2,000), 9.80%, Listed, Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each	200.00	200.00	Debentures are secured by legal mortgage in English form on certain immoveable properties of the company situated in Gujarat. In addition, these debentures are secured by hypothecation of company's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Pantnagar, Kashipur in the State of Uttarakhand and Dahej in the State of Gujarat (excluding certain assets) and an equitable mortgage of company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.
	Terms and conditions			
	a) Redeemable at face value in one single instalment at the end of 3rd year from the date of allotment.			
	b) Coupon is payable Semi-annually on 25th March and 25th September every year.			
2	(i) Term loan from Banks	745.50	915.57	(i) Out of the loans as at 2(i), loans aggregating to ₹ 745.50 Crores (Previous Year – ₹ 480.52 Crores) are secured by hypothecation of company's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur and Pantnagar in the State of Uttarakhand
				Out of the loans as at 2(i)(a)(i), loans aggregating to ₹ 518.73 Crores (Previous Year – ₹ 50.00 Crores) are additionally secured by hypothecation of company's moveable properties both present and future, at Dahej in the State of Gujarat (save and except certain assets).
				Out of the loans as at 2(i)(a)(i), loans aggregating to ₹ 226.77 Crores (Previous Year – ₹ 430.52 Crores) are to be additionally secured by hypothecation of company's moveable properties both present and future, at Dahej in the State of Gujarat (save and except certain assets).
				(a)(ii) Out of the loans as at 2(i)(a)(i) loans aggregating to ₹ 546.48 Crores (Previous Year – ₹ 265.17 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, Jhiwana in the State of Rajasthan, Kashipur in the State of Uttarakhand and Malanpur in the State of Madhya Pradesh (save and except superstructures).

Details of loan	As at March 31, 2017	As at March 31, 2016	Security
			Out of the loans as at 2(i)(a)(i) loans aggregating to ₹ 149.02 Crores (Previous Year Nil) 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, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand
			Out of the loans as at 2(i)(a)(i) loans aggregating to ₹ 50.00 Crores (Previous Year ₹ Nil) 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
			Out of the loans as at 2(i)(a)(ii), the term loans aggregating to:
			a) ₹ 76.02 Crores (Previous Year – ₹ 150.99 Crores) are to be further secured by equitable mortgage of company's immoveable properties, both present and future, situated at Gummidipoondi (leasehold land) in the State of Tamil Nadu, Special Economic Zone, Indore in the State of Madhya Pradesh and at Pantnagar in the state of Uttarakhand.
			b) ₹ Nil (Previous Year – ₹ 165.35 Crores) are to be further secured by equitable mortgage of company's immoveable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).
			c) Out of the loans as at 2(i), loans aggregating to ₹ Nil Crores (Previous Year – 435.05 Crores) are to be secured by hypothecation of company's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur and Pantnagar in the State of Uttarakhand and equitable mortgage of company's immoveable properties, both present and future, situated at Viralimalai and Gummidipoondi (freehold) in the State of Tamil Nadu, and Kashipur in the State of Uttarakhand.
			(d) Out of the loans as at 2(i), loans aggregating to ₹ 50 Crores (Previous Year – ₹ 50.00 Crores) are to be further secured by equitable mortgage of company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.

	Details of loan	As at March 31, 2017	As at March 31, 2016	Security
				(e) Out of the loans as at 2(i), loans aggregating to ₹ Nil Crores (Previous Year –Rs 282.93 Crores) are to be additionally secured by equitable mortgage of company's immoveable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).
	(ii) Term loans from banks	258.20	264.56	Term Loan in SRF Global BV of USD 40 million (Previous Year – USD 40 million) is secured by a Stand by Documentary Credit of USD 40.50 million issued by The Hong Kong & Shanghai Banking Corporation Ltd., India which is to be secured by an equitable mortgage of the immoveable properties of SRF Limited in Manali in the State of Tamil Nadu.
	(iii) Term Loan from Banks	84.23	112.44	Term loans from banks aggregating to ₹ 84.23 Crores (Previous Year – ₹ 112.44 Crores) are secured by hypothecation of company's certain moveable assets situated at Dahej in the State of Gujarat.
3	(i) Term loans from others	136.06	179.92	Term loan in SRF Industries (Thailand) Ltd. of USD 45 million from International Finance Corporation, Washington is secured by pledge of that company's machineries and by mortgage on that company's land and building.
	(ii) Term Loan from Others	149.02	231.49	Term Loan in SRF Flexipak (South Africa) (Pty) Ltd. of USD 40 million from International Finance Corporation, Washington is secured by continuing coverage mortgage bond over the land and general notarial bond over the property of that company.
	(iii) Term Loan from Others	259.16	264.56	Loan of ₹ 259.16 Crores (Previous Year – ₹ 264.56 Crores) is secured by the hypothecation and equitable mortgage of company's moveable and immoveable properties at Dhar in the State of Madhya Pradesh.
		1832.17	**2168.54**	
	Current			
4	(i) Cash credit / working capital demand loans	22.14	23.91	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh, Kashipur and Pantnagar in the State of Uttarakhand.
	(ii) Term loan from banks	227.33	99.21	
		249.47	**123.12**	

In respect of SRF Limited, the hypothecation and equitable mortgage rank pari-passu between term loans from banks / other (save and except hypothecation of movable assets at Dahej in the State of Gujarat in favour of a bank as at 2(iii) above and hypothecation and equitable mortgage of certain moveable and immoveable assets at Dhar in the State of Madhya Pradesh in favour of others as at 3(iii) above.

18.1 Details of security of the secured loans

B. As at April1, 2015

	Details of loan	As at April 1, 2015	Security
	Non current		
1	2,000, 9.80%, Listed, Secured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each **Terms and conditions** a) Redeemable at face value in one single installment at the end of 3rd year from the date of allotment. b) Coupon is payable Semi-annually on 25th March and 25th September every year.	200.00	Debentures are secured by legal mortgage in English form on certain immoveable properties of the Company situated in Gujarat. In addition, these debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh, Pantnagar and Kashipur in the State of Uttarakhand and an equitable mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Kashipur in the State of Uttarakhand.
2	(i) Term loan from Banks	985.32	Term loans from banks are secured by:- a) Hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh and Kashipur in the State of Uttarakhand.
			Out of the loans as at 2(i), term loans aggregating to ₹ 704.20 crores are additionally secured by hypothecation of Company's moveable properties both present and future, at Pantnagar in the State of Uttarakhand.
			Out of the loans as at 2(i), term loans aggregating to ₹ 281.11 crores are to be further secured by hypothecation of Company's moveable properties, both present and furture, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh, Kashipur and Pantnagar in the State of Uttarakhand.
			b) Equitable Mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.
			Term Loan of ₹ 538.03 crores is additionally secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Malanpur (save and except superstructure) in the State of Madhya Pradesh and Manali in the State of Tamil Nadu.
			Out of the loans as at 2(i), the term loans aggregating to: a) ₹ 223.60 crores are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Gummidipoondi (leasehold land) in the State of Tamil Nadu.

	Details of loan	As at April 1, 2015	Security
			b) ₹ 223.60 crores are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Indore in the State of Madhya Pradesh.
			c) ₹ 447.29 crores are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).
			d) ₹ 10.00 crores is to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Manali in the State of Tamil Nadu.
			e) ₹ 223.60 are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Pantnagar in the State of Uttarakhand.
			Out of the loans as at 2(i), term loan of ₹ 437.29 crores are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi (freehold) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur in the State of Madhya Pradesh (save and except superstructures) and Kashipur in the State of Uttarakhand.
	(ii) Term loan from banks	124.94	Term loans from banks aggregating to ₹ 124.94 crores are secured by hypothecation of Company's moveable properties, both present and future, situated at Dahej in the State of Gujarat.
3	(i) Term loan from others	263.72	Term loan in SRF Industries (Thailand) Limited of USD 42.00 million from International Finance Corporation, Washington is secured by mortgage on the land, building and machineries and pledge of leasehold rights of SRF Industries (Thailand) Limited.
	(ii) Term Loan from Others	249.86	Term loan in SRF Flexipak (South Africa) (Pty) Ltd. of USD 40 million from International Financial Corporation, Washington is secured by continuing covering mortgage bond over the land and general notarial bond over the property of the SRF Flexipak (South Africa) (Pty) Limited.
		1,823.84	
	Current		
4	(i) Cash credit / working capital demand loans	27.68	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh, Kashipur and Pantnagar in the State of Uttarakhand.
	(ii) Term loan from banks	46.85	
	(iii) Cash credit / working capital demand loans	1.76	Bank overdraft and trust receipt payable in SRF Industries (Thailand) Limited are secured by the mortgage of buildings and machineries and the pledge of the company's leasehold rights.
	(iv) Trust receipts payable	5.18	
		81.47	

In respect of SRF Limited, the hypothecation and equitable mortgage rank pari-passu between term loans from banks / other (save and except hypothecation of movable assets at Dahej in the State of Gujarat in favour of a bank as at 2(ii) above.

18.2 Terms of repayment of loan

NON CURRENT BORROWINGS

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2018	Up to March 31, 2019	Up to March 31, 2020	From 2020 to 2026
Redeemable Non-Convertible Debentures	Redeemable at face value in one installment at the end of third year	9.80%	200.00	-	-	-
Rupee term loans	Half yearly payments	9.30% to 12.10%	13.06	9.81	4.97	43.50
	Quarterly Payments	8.50%	50.00	-	-	-
Foreign currency term loans	Half yearly installments	LIBOR plus interest rate spread ranging from 1.30 % to 2.20%	125.98	192.92	231.81	326.13
	Annual installments	LIBOR plus interest rate spread of1.60%	32.40	32.40	-	-
	Payable in one installment on maturity	LIBOR plus interest rate spread ranging from 0.85 % to 2.25%	-	408.18	161.98	-
			421.43	**643.30**	**398.75**	**369.63**

CURRENT BORROWINGS

Current borrowings are payable in one installment within one year. For current borrowings in foreign currency, interest rates are LIBOR plus interest rate spread ranging from -0.10% to 0.45%. For rupee denominated short term loans taken during the year interest rate is at 6.26% to 9.05%.

19 PROVISIONS

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-Current			
Provision for employee benefits			
Provision For Leave encashment	21.19	17.22	15.30
Provision For Retention pay	1.20	1.40	1.42
Other employee benefits	7.31	6.51	5.84
	29.70	**25.13**	**22.56**
Current			
Provision for employee benefits			
Provision For Leave encashment	5.22	4.37	4.25
Provision For Retention pay	1.01	1.66	1.92
	6.23	**6.03**	**6.17**

20 TRADE PAYABLES

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Acceptances	455.63	302.12	292.96
Outstanding dues to Micro and Small enterprises#	7.45	5.32	3.06
Outstanding dues to parties other than Micro and Small enterprises	345.82	407.12	285.43
	808.90	**714.56**	**581.45**

#Refer note 20.1

20.1 Dues To micro, small and medium enterprises

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

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year			
- Principal amount	21.49	6.03	5.02
- Interest due thereon	0.19	0.01	0.22
Amount of payments made to suppliers beyond the appointed day during the year			
- Principal amount	28.04	13.41	-
- Interest actually paid under section 16 of MSMED	-	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	0.51	0.17	-
Interest accrued and remaining unpaid at the end of the year			
- Interest accrued during the year	0.70	0.18	0.09
- Interest remaining unpaid as at the end of the year	1.11	0.40	0.22
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	0.70	0.18	0.09

21 OTHER FINANCIAL LIABILITIES

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current			
Current maturities of long-term debt	418.78	385.52	406.52
Interest accrued	8.85	6.12	8.58
Unpaid dividends*	6.32	6.20	6.24
Security deposits	6.16	5.23	4.71
Payables to capital creditors			
Acceptances	-	1.57	-
Outstanding dues to Micro and Small enterprises#	15.15	1.11	2.18
Outstanding dues to parties other than Micro and Small enterprises	68.32	27.14	49.68
Derivatives designated and effective as hedging instruments carried at fair value - Interest rate swaps designated in hedge accounting relationships through other comprehensive income	-	2.22	1.61
Others	0.57	0.73	0.75
Total other financial liabilities	**524.15**	**435.84**	**480.27**

*Will be credited to investor education and protection fund if not claimed within seven years from the date of issue of dividend/interest warrant and the date the fixed deposits have matured.

Refer note 20.1

22 CURRENT TAX LIABILITIES

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current tax assets			
Income tax payable (Net)	3.69	3.12	5.42
	3.69	**3.12**	**5.42**

23 OTHER LIABILITIES

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
Deferred government grants*	29.92	21.84	17.43
	29.92	**21.84**	**17.43**
Current			
Advances received from customers	28.96	11.35	16.10
Statutory remittances	34.78	32.10	34.31
Other taxes payables	41.25	20.82	19.70
Gratuity	6.24	7.61	3.87
Deferred government grants*	0.50	0.50	0.46
	111.73	**72.38**	**74.44**

The group has recognized grant in respect of duty paid on procurement of capital goods under EPCG scheme of Central Government which allows refund in the form of freely transferable duty credit scripts of the duty paid upon meeting of export obligation of six times of the duty paid on capital goods procured. The group expects to meet its export obligations in future years.Export obligation as on March 31, 2017 is Rs 104.93 crores

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

The Group has received a Manufacturing Investment Programme ("MIP") grant from the Department of Trade and Industry ("DTI") South Africa for costs incurred in the construction of its manufacturing assets.

There are no unfulfilled conditions or contingencies attached to these grants.

The unamortized grant amount as on March 31, 2017 is 30.42 Crores (March 31, 2016: 22.34 Crores , April 1, 2015: 17.89 Crores) . The group recognised 2.10 Crores (2016: 0.84 Crore) in the statement of profit & loss account as amortisation of grant.

24 REVENUE FROM OPERATIONS

	Year ended March 31 , 2017	Year ended March 31 , 2016
Sale of products (including excise duty)		
Manufactured goods	4,980.22	4,776.07
Traded goods	73.96	52.90
	5,054.18	**4,828.97**
Other operating revenues		
Claims	0.94	1.99
Export incentives	44.69	36.29

	Year ended March 31 , 2017	Year ended March 31 , 2016
Scrap sales	10.62	11.02
Other operating income	26.16	20.00
	82.41	**69.30**
	5,136.59	**4,898.27**

25 OTHER INCOME

	Year ended March 31 , 2017	Year ended March 31 , 2016
Interest Income*		
- from customers	0.60	0.23
- on loans and deposits	1.31	0.97
- on others	3.10	3.98
Dividend Income	-	0.18
Other non-operating income**	24.72	1.64
Other gains and losses		
Net gain on sale/discarding of property, plant and equipment	-	3.16
Net gain on financial assets measured at FVTPL	13.32	11.38
Net currency exchange fluctuation gains	27.55	-
Grant income	2.10	0.84
Provision / Liabilities no longer required written back	0.31	5.46
	73.01	**27.84**

*pertains to assets at amortised cost
** Includes net gain on liquidation of subsidiary Rs 23.60 crores (Previous year- Nil)

26.1 COST OF MATERIALS CONSUMED

	Year ended March 31 , 2017	Year ended March 31 , 2016
Opening stock of raw materials	290.06	333.91
Add: Purchases of raw materials	2,513.52	2,234.63
	2,803.58	**2,568.54**
Less: Closing stock of raw materials	414.41	290.06
Cost of materials consumed	**2,389.17**	**2,278.48**

26.2 PURCHASES OF STOCK-IN-TRADE

	Year ended March 31 , 2017	Year ended March 31 , 2016
Purchase of Stock in Trade	51.07	35.04
	51.07	**35.04**

26.3 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended March 31 , 2017	Year ended March 31 , 2016
Inventories at the end of the year:		
Stock-in-Process	101.45	77.08
Finished goods	181.82	181.63
Traded goods	1.87	2.64
	285.14	**261.35**
Effect of changes in exchange currency rates		
Stock-in-Process	0.96	(1.90)
Finished goods	0.99	(2.01)
	1.95	**(3.91)**
Inventories at the beginning of the year:		
Stock-in-Process	77.08	102.87
Finished goods	181.63	177.45
Traded goods	2.64	1.99
	261.35	**282.31**
Net (increase) / decrease		
Stock-in-Process	(23.41)	23.89
Finished goods	0.80	(6.19)
Traded goods	0.77	(0.65)
	(21.84)	**17.05**

27 EMPLOYEE BENEFIT EXPENSE

	Year ended March 31 , 2017	Year ended March 31 , 2016
Salaries and wages, including bonus	367.01	327.63
Contribution to provident and other funds	21.94	18.74
Workmen and staff welfare expenses	44.85	39.96
	433.80	**386.33**

28 FINANCE COST

	Year ended March 31 , 2017	Year ended March 31 , 2016
Interest cost*	84.24	108.68
Other borrowing costs	14.85	16.56
Exchange differences regarded as an adjustment to borrowing cost	2.68	5.22
	101.77	**130.46**

* Includes unwinding of deferred payment liabilty and pertains to liability at amotized cost

29 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31 , 2017	Year ended March 31 , 2016
Depreciation of property, plant and equipment	265.53	256.49
Amortisation of intangible assets	17.91	18.47
	283.44	**274.96**

30 OTHER EXPENSE

	Year ended March 31 , 2017	Year ended March 31 , 2016
Bad debts / advances written off	0.56	0.21
Contract conversion charges	3.35	3.33
Directors' sitting fees	0.29	0.29
Expenditure on Corporate Social Responsibility	7.60	8.75
Fixed assets/inventory provided / written off	2.58	2.22
Freight	153.86	119.00
Increase / (decrease) in excise duty on closing stock	0.41	(0.23)
Insurance	18.55	16.00
Power and Fuel	417.80	398.07
Professional and legal charges	26.84	20.36
Provision for doubtful debts / advances	(0.40)	9.24
Rates and taxes	16.86	5.65
Rent	24.67	23.11
Repairs and Maintenance		
- Buildings	4.35	5.44
- Plant and machinery	123.41	113.17
- Other Maintenance	34.10	31.93
Selling commission	9.74	10.61
Stores and Spares consumed	44.85	43.88
Travel	20.10	14.72
Loss on winding up of wholly owned subsidiary	-	0.24
Auditor Remuneration#		
- Audit Fees	1.04	1.38
- For limited review of unaudited financial results	0.67	0.33
- For Corporate governance, consolidated financial statements and other certificates	0.17	0.16
- For tax audit	0.23	0.10
- Reimbursement of out of pocket expenses	0.02	0.03
Exchange currency fluctuation (net)	-	10.31
Miscellaneous expenses	88.56	75.00
	1,000.21	**913.30**

including fees paid to auditors of Subsidiary Companies

31 INCOME TAX RECOGNISED IN PROFIT AND LOSS

	Year ended March 31 , 2017	Year ended March 31 , 2016
Current tax		
In respect of the current year	116.49	107.51
	116.49	**107.51**
Deferred tax		
In respect of the current year	(58.89)	(19.27)
MAT Credit	84.60	66.81
Others	**25.71**	**47.54**
	142.20	**155.05**

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

	Year ended March 31 , 2017	Year ended March 31 , 2016
Profit before tax	**657.19**	**584.94**
Income Tax Expense @ 34.608% (2016: 34.608%)	227.44	202.43
Weighted deduction of research and development expenses	(36.38)	(21.85)
Investment allowance on plant and machinery	(22.39)	(14.06)
Effect of expenses that are not deductible in determining taxable profits	4.03	3.05
Effect of deduction under the tax laws	(4.43)	(1.51)
Effect of income of overseas subsidiaries that is exempt from respective subsidiary's tax laws	(15.65)	(5.29)
Effect of lower tax rates in overseas subsidiaries	(10.21)	(9.58)
Others	(0.21)	1.86
Income tax expenses recognised in profit and loss	**142.20**	**155.05**
The tax rate used for the current year reconciliation above is the corporate tax rate of 34.608% (2016: 34.608%) payable by Indian entities in India on taxable profits under the Indian tax law.		

32 INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Year ended March 31 , 2017	Year ended March 31 , 2016
Arising on income and expense recognised in other comprehensive income		
Net gain on designated portion of hedging instruments in cash flow hedges	(5.27)	(0.41)
Remeasurement of defined benefit obligation	0.13	1.09
	(5.14)	**0.68**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	(5.27)	(0.41)
Items that will not be reclassified to profit or loss	0.13	1.09
	(5.14)	**0.68**

33 CONTINGENT LIABILITIES AND COMMITMENTS

a. Claims against the group not acknowledged as debts :

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Excise duty, custom duty and service tax*@	70.12	61.25	60.95
Sales tax and entry tax (refer note 'b' below)**@	124.26	123.48	112.12
Income Tax****	7.93	7.90	11.29
Stamp Duty*****	28.81	28.81	28.81
Others***	1.01	12.33	10.89

* Amount deposited ₹ 8.60 Crores (2016 : ₹ 4.57 Crores; 2015 : ₹ 4.47 Crores)

** Amount deposited ₹ 12.39 Crore (2016 : ₹ 0.02 Crore; 2015 ₹ 0.16 Crore)

*** Amount deposited ₹ 0.08 Crore (2016 :₹ 0.08 Crore; 2015 :₹ Nil)

**** Amount deposited ₹ 6.48 Crores (2016 ₹ 3.38 Crores; 2015 ₹ 4.32 Crores)

*****In the matter of acquisition of the Tyrecord Division at Malanpur from CEAT Limited the Collector of Stamps, Bhind (Madhya Pradesh) has by his order dated 07.11.2001 assessed the value of the subject matter of the Deed of Conveyance dated 13.06.1996 at ₹ 303.00 Crores and levied a stamp duty of ₹ 23.73 Crores and imposed a penalty of ₹ 5.09 Crores. The said demand was challenged before the Hon'ble High Court of Madhya Pradesh Bench at Gwalior. The Hon'ble High Court of Madhya Pradesh accepted the case of the group that the subject matter of the Deed of Conveyance dated 13.06.1996 is only the superstructures valued at ₹ 27.76 Crores and not the entire undertaking valued at ₹ 303.00 Crores as claimed by the State. Consequently, the Hon'ble High Court of Madhya Pradesh quashed the order and demands issued by the Collector of Stamps, Bhind (Madhya Pradesh) and allowed the writ petition by an order dated 29th November 2004. Against the said order, the State of Madhya Pradesh preferred a Special Leave Petition before the Hon'ble Supreme Court which the State of Madhya Pradesh has withdrawn to enable it to approach the Hon'ble High Court of Madhya Pradesh at Gwalior in view of the change in law in the State of Madhya Pradesh relating to Letters Patent Appeal.

@ As per Business Transfer Agreement with KAMA Holdings Limited, the liabilities of ₹ 20.64 Crores (2016 : ₹ 20.64 Crores; 2015 : ₹ 20.64 Crores) and ₹ 0.38 Crore (2016 :₹ 0.38 Crore; 2015 : ₹ 0.38 Crore) respectively towards Excise Duty and Sales tax are covered under Representations and Warranties.

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

b. The Company had received demand for payment of Central Sales Tax (CST), Value Added Tax (VAT) and Entry Tax aggregating to ₹ 123.11 Crores (2016 :₹ 121.06 Crores; 2015:₹ 111.38 Crores) including interest and penalty of ₹ 34.38 Crores (2016 : ₹ 34.38 Crores;2015 : ₹ 34.38 Crores) for the period from 2004 to 2013 in respect of sales from its manufacturing facility in Special Economic Zone (SEZ) in Madhya Pradesh to the Domestic Tariff Area (DTA). The group had already paid on the same products ₹ 51.37 Crores as Additional Countervailing Duty (ACVD) to the Central Government, based on company's view that ACVD was payable as per extant policies and Legislations of the Centre and the State.

The company filed writ petitions against all such demands, on which Hon'ble High Court of Madhya Pradesh ("Court") has granted stay subject to payment of 10 % of the total demand in cash and bank guarantee for the remaining 90% of the total demand. The said deposit of cash as well as bank guarantee has been made by the group. The Management is of the view which is also confirmed by legal opinion that group has a good case on merits and is confident of getting relief from the Court and, accordingly, no provision has been created.

c. The company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax amounting to ₹ 23.95 Crores (March 31, 2016 :₹ 38.87 Crores; April 1, 2015 : ₹ 29.11 Crores) should not be levied. The group has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.

d. Liability on account of bank guarantees of ₹ 125.85 crores (March 31, 2016: 13.25 crores; April 1, 2015: ₹ 10.99 crores)

e. The company has entered into agreements with banks for assignment of trade receivables without recourse to them for value upto a maximum limit of ₹ 400.81 Crores. The assigned receivables as at the year end is ₹ 185.46 Crores (March 31, 2016 : ₹ 160.35 Crores; April 1, 2015 : ₹ 95.24 Crores)

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

34. Capital and other commitments

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Estimated Amount of contracts remaining to be executed on capital account & not provided for	397.87	263.91	87.53

(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.

35 RELATED PARTY TRANSACTIONS

35.1 Description of related parties

Holding Company	**Key management personnel**
KAMA Holdings Limited	Mr. Arun Bharat Ram
	Mr. Ashish Bharat Ram
	Mr. Kartik Bharat Ram
Fellow subsidiaries	Mr. K. Ravichandra*
KAMA Realty (Delhi) Limited	Mr. Vinayak Chatterjee
Shri Educare Limited	Mr. Tejpreet S Chopra
Shri Educare Maldives Private Limited	Mr. L.Laxshman
SRF Transnational Holdings Limited	Mr. Vellayan Subbiah
	Mr. Pramod Bhasin
	Ms. Meenakshi Gopinath
	Mr. Pramod Gopaldas Gujarathi**
Post employment benefit plans trust	**Enterprises over which KMP have significant influence**
SRF Welfare Trust	SRF Foundation
SRF Limited Officers Provident Fund Trust	Karm Farms LLP
SRF Employees Gratuity Trust	Srishti Westend Greens Farms LLP
SRF Officers Gratuity Trust	

*Upto March 31, 2017

**From April 01, 2017

35.2 Transactions with related parties

	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of property, plant & equipment and intangible assets from:		
Fellow Subsidiaries	-	0.04
Enterprises over which KMP have significant influence	-	6.30
	-	**6.34**
Rent paid		
Holding company	6.62	6.50
Key management personnel	0.29	0.28
Enterprises over which KMP have significant influence	1.47	1.36
	8.38	**8.14**
Reimbursement of expenses from		
Holding company	0.0045	0.0043
Fellow Subsidiaries	0.04	0.03
	0.04	**0.04**
Loans / deposits given to (including exchange fluctuation)		
Fellow Subsidiaries	-	0.04
Enterprises over which KMP have significant influence	-	0.14
	-	**0.18**

	For the year ended March 31, 2017	For the year ended March 31, 2016
Loans/deposits received back from		
Enterprises over which KMP have significant influence	-	5.00
	-	**5.00**
Donations to		
Enterprises over which KMP have significant influence	7.60	8.75
	7.60	**8.75**
Contribution to post employment benefit plans		
Post employment benefit plans trust	16.94	18.39
	16.94	**18.39**

35.3 Outstanding Balances

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Commission Payable			
Key management personnel	5.85	5.10	5.10
	5.85	**5.10**	**5.10**
Payable			
Post employment benefit plans trust	5.76	5.56	3.94
	5.76	**5.56**	**3.94**
Security Deposits outstanding			
Fellow Subsidiaries	3.34	3.34	3.30
Key management personnel	0.13	0.13	0.13
Enterprises over which KMP have significant influence	1.34	1.34	6.20
	4.81	**4.81**	**9.63**

35.4Key management personnel compensation

	For the year ended March 31, 2017	For the year ended March 31, 2016
Short-term benefits*	14.14	12.70
Post-employment benefits	1.09	0.72
Other long-term benefits	0.47	0.21
	15.70	**13.63**

*includes sitting fees and commission paid / payable to Non Executive Directors

36 EMPLOYEE BENEFITS

36.1 Defined contribution plans:

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
Superannuation fund (Refer to note (i) below)	0.72	0.93
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	8.54	7.76
Employees' State Insurance Corporation	0.80	0.57
	10.06	**9.26**

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 group 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 group also participate in a defined contribution superannuation plan maintained by the group. The group 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 group provided an option to the employees to receive the said benefit as cash compensation along with salary in lieu of the superannuation benefit. Thus, no contribution is required to be made for the category of employees who opted to receive the benefit in cash.

(ii) Provident fund administered through Regional Provident Fund Commissioner

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

36.2 Defined benefit plans

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

(a) Gratuity

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

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

(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 occurance 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 detemine 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 liabilty.

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

Indian Entities	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Gratuity	Provident Fund	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	7.35%	7.35%	8.00%	8.00%	7.75%	7.75%
Salary increase	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Retirement Age(years)	58	58	58	58	58	58
Mortality Rates	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Withdrawal rate						
Upto 30 years	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
31 to 44 years	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Above 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Foreign Entities	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Legal Severance Pay	Health Care (Unfunded)	Legal Severance Pay	Health Care (Unfunded)	Legal Severance Pay	Health Care (Unfunded)
Discount Rate	3.13%/3.32%	9.80%	3.14%/3.17%	10.40%	3.14%/3.17%	8.70%
Salary increase	5.00%/4.85%		5.00%/4.00%		5.00%/4.00%	
In service mortality	TMO	SA	TMO	SA	TMO	SA
	2,008	85-90	2,008	85-90	2,008	85-90
Retirement Age	60 / 55	60 - 65	60 / 55	60 - 65	60 / 55	60 - 65
Withdrawal Rate						
- up to 20 years	55/25	15	54/25	15	54/25	15
- up to 25 years	50/20	10	54/25	10	54/25	10
- up to 30 years	50/20	7	54/25	7	54/25	7
- up to 35 years	25/12.5	4	27/14	4	27/14	4
- up to 40 years	25/12.5	2	27/14	2	27/14	2
- up to 44 years	10/5	-	10/2	-	10/2	-
- up to 50 years	4/0	-	10/2	-	10/2	-
- above 50 years	2.5/0	-	-	-	-	-

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

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

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

Indian Entities	**For the year ended March 31, 2017**		For the year ended March 31, 2016	
	Gratuity	**Provident Fund**	Gratuity	Provident Fund
Current Service cost	5.09	4.68	4.15	3.70
Net interest expenses	0.61	-	0.31	-
	5.70	**4.68**	**4.46**	**3.70**

Foreign Entities	**For the year ended March 31, 2017**		For the year ended March 31, 2016	
	Legal Severance Pay	**Health Care (Unfunded)**	Legal Severance Pay	Health Care (Unfunded)
Current Service cost	1.19	0.04	1.00	0.05
Net interest expenses	0.10	0.17	0.11	0.16
	1.29	**0.21**	**1.11**	**0.21**

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	**For the year ended March 31, 2017**		For the year ended March 31, 2016	
	Gratuity	**Provident Fund**	Gratuity	Provident Fund
Return on plan assets (excluding amounts included in net internet expenses)	(5.87)	-	0.57	-
Actuarial (gain)/losses arising from changes in financial assumptions	2.85	-	(0.96)	-
Actuarial (gain)/losses arising from changes in experience adjustments	3.56	-	3.55	-
	0.54	**-**	**3.16**	**-**

Foreign Entities	**For the year ended March 31, 2017**		For the year ended March 31, 2016	
	Gratuity	**Provident Fund**	Gratuity	Provident Fund
Actuarial (gain)/losses arising from changes in financial assumptions	(0.48)	-	-	(0.12)
Actuarial (gain)/losses arising from changes in experience adjustments & demographic assumption	(0.34)	-	-	(0.25)
	(0.82)	**-**	**-**	**(0.37)**

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

Indian Entities	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Gratuity	Provident Fund	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	57.53	93.31	48.53	79.38	42.52	68.38
Fair Value of Plan Assets	51.29	93.48	40.92	79.55	38.65	68.55
Surplus / (Deficit)	**(6.24)**	**0.17**	**(7.61)**	**0.17**	**(3.87)**	**0.17**
Effect of asset ceiling, if any	-	(0.17)	-	(0.17)	-	(0.17)
Net assets / (liability)	**(6.24)**	**-**	**(7.61)**	**-**	**(3.87)**	**-**

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

Foreign Entities	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Legal Severance Pay	Health Care (Unfunded)	Legal Severance Pay	Health Care (Unfunded)	Legal Severance Pay	Health Care (Unfunded)
Present value of funded defined benefit obligation	5.45	1.86	4.92	1.59	3.87	1.97
Fair Value of Plan Assets	-	-	-	-	-	-
Funded Status	**(5.45)**	**(1.86)**	**(4.92)**	**(1.59)**	**(3.87)**	**(1.97)**

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

Indian Entities	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	48.53	79.38	42.52	68.38
Current Service Cost	5.09	4.68	4.15	3.70
Interest Cost	3.89	6.29	3.30	6.95
Actuarial (gain)/losses arising from changes in financial assumptions	2.85	-	(0.96)	-
Actuarial (gain)/losses arising from changes in experience adjustments	3.56	-	3.55	-
Benefits paid	(6.39)	(5.13)	(4.03)	(6.22)
Contribution by plan participants / employees	-	6.52	-	4.69
Settlement / transfer in	-	1.57	-	1.88
Closing defined benefit obligation	**57.53**	**93.31**	**48.53**	**79.38**

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

Foreign Entities	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	4.92	1.59	3.87	1.97
Current Service Cost	1.19	0.04	1.00	0.05
Interest Cost	0.10	0.17	0.11	0.16
Actuarial (gain)/losses arising from changes in financial assumptions	(0.48)	-	-	(0.12)
Actuarial (gain)/losses arising from changes in experience adjustments & demographic assumption	(0.34)	-	-	(0.25)
Exchange difference on foreign plans	0.06	0.11	(0.06)	(0.17)
Benefits paid	-	(0.05)	-	(0.05)
Closing defined benefit obligation	**5.45**	**1.86**	4.92	1.59

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

	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	40.92	79.55	38.65	68.55
Return on plan assets (excluding amounts included in net interest expenses)	9.15	6.29	2.42	6.95
Contributions from employer	7.61	4.68	3.87	3.70
Contributions from plan participants	-	6.52	-	4.69
Settlement / Transfer in	-	1.57	-	1.88
Benefits paid	(6.39)	(5.13)	(4.03)	(6.22)
Closing defined benefit obligation	**51.29**	**93.48**	**40.92**	**79.55**

Plan assets comprises of HDFC Group Unit Linked Plan fund, Government of India securities and bank balances. The average duration of defined benefit obligation is 23 years (2016: 23 years, 2015: 23 years). The company expects to make a contribution of Rs 5.95 crores (2016: Rs 6.50 crores, 2015: Rs 5.58 crores) to the defined benefit plans during next financial year.

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate & 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

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 2.23 Crores (Increase by ₹ 2.41 Crores) (as at March 31, 2016: decrease by ₹ 1.82 Crores (increase by ₹ 1.96 Crores))

If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by ₹ 2.39 Crores (decrease by ₹ 2.24 Crores) (as at March 31, 2016: increase by ₹ 1.96 Crores (decrease by ₹ 1.84 Crores)

Foreign Entities

If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by ₹ 0.49 Crores (Increase by ₹ 0.55 Crores) (as at March 31, 2016: decrease by ₹ 0.14 Crores (increase by ₹ 0.52 Crores)

If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by ₹ 0.57 Crores (decrease by ₹ 0.52 Crores) (as at March 31, 2016: increase by ₹ 0.50 Crores (decrease by ₹ 0.12 Crores)

If the discount rate is 100 basis points higher (lower), the other long term benefit obligation would decrease by ₹ 0.26 Crores (Increase by ₹ 0.23 Crores) (as at March 31, 2016: decrease by ₹ 0.18 Crores (increase by ₹ 0.23 Crores)

If the expected salary growth increases (decreases) by 100 basis points, the other long term benefit obligation would increase by ₹ 0.01 Crores (decrease by ₹ 0.06 Crores) (as at March 31, 2016: increase by ₹ 0.04 Crores (decrease by ₹ 0.03 Crores)

Sensitivity due to mortality & 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"

	For the year ended March 31, 2017	For the year ended March 31, 2016
Long term retention pay (Refer to note (i) below)	0.15	0.27
Compensated absences	6.81	4.25
	6.96	**4.52**

(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 group. The incentive is payable in three year blocks subject to achievement of certain performance ratings. The group also has a scheme for talent retention of certain identified employees under which an incentive is payable over a period of three years. Based on actuarial valuation, the group has accrued the above mentioned amounts.

37 SEGMENT REPORTING

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

- Technical Textiles business: includes nylon tyre cord fabric, belting fabric, coated fabric, laminated fabric, polyester tyre cord fabric and industrial yarns and its research and development
- Chemicals and Polymers business: includes refrigerant gases, chloromethane, pharmaceuticals, fluorochemicals & allied products, engineering plastics business and its research and development.
- Packaging Film Business includes polyester films.

Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable.

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

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

b) Segment assets and liabilities

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

	Year ended March 31, 2017	Year ended March 31, 2016
Segment Revenue		
a) Technical Textiles Business (TTB)		
- External sales	2,007.68	1,899.10
- Inter-segment sales	2.56	5.91
Total	**2,010.24**	**1,905.01**
b) Chemicals and Polymers(CPB)		
- External sales	1,721.40	1,639.80
- Inter-segment sales	-	-
Total	**1,721.40**	**1,639.80**
c) Packaging Films Business (PFB)		
- External sales	1,407.51	1,359.37
- Inter-segment sales	1.70	1.20
Total	**1,409.21**	**1,360.57**
Total Segment revenue	**5,140.85**	**4,905.38**
Less: Inter Segment revenue	4.26	7.11
Revenue from Operations	**5,136.59**	**4,898.27**
Add: Unallocable Income	73.01	27.84
Total Revenue	**5,209.60**	**4,926.11**
Segment Profits		
(Profit / (Loss) before interest and tax from each segment)		
a) Technical Textiles Business (TTB)	254.27	181.04
b) Chemicals and Polymers (CPB)	327.32	393.63
c) Packaging Films Business (PFB)	197.04	194.00
Total Segment results	**778.63**	**768.67**
Less: i) Interest & Finance Charges	101.77	130.46
Less: ii) Other Unallocable expenses net of income	19.67	53.27
Profit before tax	**657.19**	**584.94**
Less: Provision for taxation	142.20	155.05
Profit after tax	**514.99**	**429.89**

Segment assets and liabilities

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Segment Assets			
a) Technical Textiles Business (TTB)	1,645.03	1,547.15	1,631.42
b) Chemicals and Polymers(CPB)	3,057.90	2,702.56	2,509.15
c) Packaging Films Business (PFB)	1,906.39	1,579.87	1,461.50
Total	**6,609.32**	**5,829.58**	**5,602.07**
Unallocable Assets	571.95	724.06	372.31
Total Assets	**7,181.27**	**6,553.64**	**5,974.38**
Segment Liabilities			
a) Technical Textiles Business (TTB)	430.02	329.51	341.20
b) Chemicals and Polymers(CPB)	330.48	263.33	248.22
c) Packaging Films Business (PFB)	310.42	295.84	198.58
Total	**1,070.92**	**888.68**	**788.00**
Unallocable Liabilities	2,927.69	2,901.98	2,781.64
Total Liabilities	**3,998.61**	**3,790.66**	**3,569.64**

	Year ended March 31, 2017	Year ended March 31, 2016
Capital Expenditure		
a) Technical Textiles Business (TTB)	14.57	70.16
b) Chemicals and Polymers(CPB)	341.82	314.78
c) Packaging Films Business (PFB)	348.92	132.72
d) Unallocated	15.71	10.41
Total	**721.02**	**528.07**
Depreciation		
a) Technical Textiles Business (TTB)	51.72	55.33
b) Chemicals and Polymers(CPB)	167.69	158.40
c) Packaging Films Business (PFB)	53.10	50.28
d) Unallocated	10.93	10.95
Total	**283.44**	**274.96**
Geographical Information		
Revenue from operations		
- India	2,907.95	2,819.62
- South Africa	331.35	345.80
- Singapore	229.15	238.85
- Germany	251.14	228.48
- USA	192.71	129.73
- Others	1,224.29	1,135.79
	5,136.59	**4,898.27**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non current segment assets			
Within India	4041.72	3,606.97	3,346.44
Outside India	779.71	798.69	796.49
	4,821.43	**4,405.66**	**4,142.93**

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

No single customer contributed 10% or more to the companies revenue for both 2016-17 and 2015-16

Revenue from major products	Year ended March 31, 2017	Year ended March 31, 2016
Manufactured goods		
Synthetic Filament Yarn including Industrial Yarn/Tyre Cord/Twine	158.86	183.34
Nylon Tyre Cord Fabric/ Polyester tyre cord fabric / Industrial Yarn Fabric	1,603.21	1,505.62
Laminated Fabric	170.25	130.93
Nylon / PBT / PC Compounding Chips	221.51	198.76
Fluorochemicals, Refrigerant Gases & Allied Products	590.14	449.99
Fluorospecialities Chemicals	606.14	743.28
Chlorinated Solvents	164.72	141.87
Packaging Films	1,360.73	1,330.93
Waste/Others	104.66	91.34
	4,980.22	**4,776.07**
Traded goods	73.96	52.90
	5,054.18	**4,828.97**

38 EARNINGS PER SHARE

	Year ended March 31, 2017	Year ended March 31, 2016
Basic Earnings per share (₹)	89.69	74.87
Dilluted Earnings per share (₹)	89.69	74.87
Profit attribuatable to equity holders of the group used in calculating basic earning per share and dilluted earning per share	514.99	429.89
Weighted average number of equity shares of the group used in calculating basic earning per share and dilluted earning per share (nos.)	57,420,500	57,420,500

39 OPERATING LEASE

The group has entered into operating lease agreements for various premises taken for accommodation of group's officers / directors, various offices of the group, lands & certain equipments. These arrangements are both cancellable and non-cancellable in nature and range between two to Ninety nine years. The future minimum lease payments under non-cancellable operating leases are as under:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non Cancellable operating lease commitments			
- With in one year	19.99	14.26	13.08
- Later than one year & not later than five years	16.57	28.50	35.79
- Later than five years	62.86	65.47	61.14
	99.42	**108.23**	**110.01**

	Year ended March 31, 2017	Year ended March 31, 2016
Lease Rent Recognized in the statement of profit & loss as per note 30	24.67	23.11

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 through maintaining reasonable balance between debt and equity. The capital structure of the group consists of net debt (borrowings net of cash and cash equivalents) and total equity of the group. The group is not subject to any externally imposed capital requirements. The group's management reviews the capital structure of the group on periodic basis. As part of review, the management considers the cost of capital and risk associated with each class of capital. The group also evaluates its gearing measures like Debt Equity Ratio, Debt Service Coverage Ratio, Interest Service Coverage Ratio & Debt to EBIDTA ratios to arrive at an appropriate level of debt and accordingly evolve 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, 2017	As at March 31, 2016	As at April 1, 2015
Debt	**2,396.21**	2,515.25	2,469.82
Cash & cash equivalents	**87.63**	339.88	99.07
Net Debt	**2,308.58**	2,175.37	2,370.75
Total Equity	**3,182.66**	2,762.98	2,404.74
Net debt to equity ratio	**0.73**	**0.79**	**0.99**

40.2 Financial instruments by category

	As at March 31, 2017				As at March 31, 2016				As at April 1, 2015			
	FVTPL	Fair Value (Derivative Instrument)	Amortised Cost#	FVTOCI	FVTPL	Fair Value (Derivative Instrument)	Amortised Cost#	FVTOCI	FVTPL	Fair Value (Derivative Instrument)	Amortised Cost#	FVTOCI
Financial Assets												
Investments	146.36	-	49.40	0.12	160.60	-	-	4.33	91.56	-	-	4.27
Trade Receivables	-	-	656.89	-	-	-	514.48	-	-	-	610.65	-
Cash and cash equivalents	-	-	87.63	-	-	-	339.88	-	-	-	99.07	-
Bank balances other than above	-	-	8.49	-	-	-	49.35	-	-	-	8.22	-
Loans	-	-	56.60	-	-	-	41.82	-	-	-	43.81	-
Other financial assets	-	21.10	35.37	-	-	2.72	39.68	-	-	3.76	1.41	-
	146.36	**21.10**	**894.38**	**0.12**	**160.60**	**2.72**	**985.21**	**4.33**	**91.56**	**3.76**	**763.16**	**4.27**

	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	FVTPL	Fair Value (Derivative Instrument)	Amortised Cost#	FVTPL	Fair Value (Derivative Instrument)	Amortised Cost#	FVTPL	Fair Value (Derivative Instrument)	Amortised Cost#
Financial Liabilities									
Borrowings	-	-	1,977.43	-	-	2,129.73	-	-	2,063.30
Trade Payables	-	-	808.90	-	-	714.56	-	-	581.45
Other financial liabilities	-	-	524.15	-	2.22	433.62	-	1.61	478.66
	-	**-**	**3,310.48**	**-**	**2.22**	**3,277.91**	**-**	**1.61**	**3,123.41**

Carrying value of the financial assets and liabilities designated at amortized cost approximates its fair value.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at March 31, 2017	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments*	146.36	-	0.12	146.48
Other financial assets**	-	21.70	-	21.70
	146.36	**21.70**	**0.12**	**168.18**
Financial Liabilities				
Other financial liabilities***	-	-	-	-
	-	-	-	-

As at March 31, 2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Investments*	160.60	-	4.33	164.93
Other financial assets**	-	2.72	-	2.72
	160.60	**2.72**	**4.33**	**167.65**
Financial Liabilities				
Other financial liabilities***	-	2.22	-	2.22
	-	**2.22**	**-**	**2.22**

As at April 1, 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Investments*	91.56	-	4.27	95.83
Other financial assets**	-	3.76	-	3.76
	91.56	**3.76**	**4.27**	**99.59**
Financial Liabilities				
Other financial liabilities***	-	1.61	-	1.61
	-	**1.61**	**-**	**1.61**

* Investments: (Level 1- Mutual funds; Level 3-Unquoted equity investments)

** Other Financial Assets:(Level 2- Hedging Instruments)

*** Other Financial liabilities:(Level 2- Hedging Instruments)

Level 1:

Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of open ended mutual funds.

Level 2:

Valuation techniques with 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.

Level 3:

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

Sensitivity of Level 3 Financial Instruments are insignificant

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

Investments in mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

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.

Unquoted equity investments: Fair value is derived on the basis of income approach, in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

Reconciliation of Level 3 fair value measurements

	Unlisted equity instruments
As at April 1, 2015	**4.27**
Purchases	0.06
Gain / (loss) recognised in OCI	-
As at March 31, 2016	**4.33**
Purchases	0.01
Gain / (loss) recognized in OCI	(4.22)
As at March 31, 2017	**0.12**

40.3 Financial Risk Management

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

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

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

40. 3.1 Market Risk

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

A. Foreign Currency Risk Management

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

In the operating activities, the group's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). The group manages the Net exposure on a rolling 12 month basis and hedges the exposures based on a duly approved policy by the Board. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the group are mainly in U.S. Dollar (USD) and Euro (EUR). The group's exposure to foreign currency changes for all other currencies is not material.

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

	Assets			Liabilities		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
USD	330.6	314.06	199.52	1,877.23	1,944.42	1,793.95
EUR	36.47	58.93	34.37	8.87	7.97	7.24

Foreign currency sensitivity analysis

The group is mainly exposed to USD and EURO

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

	Year ended March 31, 2017		Year ended March 31, 2016	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit or loss for the year				
USD	2.58	(2.58)	1.94	(1.94)
EUR	(0.40)	0.40	(0.48)	0.48

Foreign exchange derivative contracts

The group uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The group's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within of 12 to 15 months for hedges of forecasted sales, purchases and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

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

Outstanding Contracts*	No of Deals			Foreign Currency (FCY Millions)			Nominal Amount (₹ Crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
USD/INR Buy	9	3	-	15.48	5.24	-	100.28	34.66	-
USD/INR Sell forward	33	10	24	50.00	24.00	17.00	323.95	158.74	106.20
EUR/INR sell forward	-	-	5	-	-	2.88	-	-	19.34
EUR/USD sell forward	12	7	-	6.30	3.46	-	43.62	26.06	-
EUR/INR Buy forward	3	-	4	4.80	-	1.64	33.24	-	11.02
EUR/USD Buy forward	10	-	-	14.95	-	-	103.51	-	-
GBP/USD Buy forward	2	-	-	1.88	-	-	15.23	-	-
EUR/ZAR Sell Forward	1	6	1	0.70	2.25	0.40	4.85	16.94	2.69
USD/THB Sell Forward	-	-	1	-	-	1.00	-	-	6.25
USD/THB Buy Forward	4	1	-	2.80	0.50	-	18.14	3.31	-
USD/ZAR Buy Forward	2	-	-	1.25	-	-	8.10	-	-
USD/ZAR Sell Forward	1	-	-	0.30	-	-	1.94	-	-
Fair value assets / (liabilities)							16.90	2.72	3.76

* Sensitivity on the above derivative contacts in respect of foreign currency exposure is insignificant

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 agreed 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 borrowings, the amount of fixed interest loan is ₹ 481 Crores and floating interest loan is ₹ 1352 Crores (March 31, 2016: Fixed interest loan ₹ 867 Crores and Floating interest loan ₹ 1433 Crores ; April 1, 2015: Fixed interest loan ₹ 637 Crores and Floating interest loan ₹ 1560 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 borrowings, as follows:

	Year ended March 31, 2017		Year ended March 31, 2016	
	₹ loans interest rate decreases by 0.50 %	USD loans interest rate decreases by 0.15 %	₹ loans interest rate decreases by 0.50 %	USD loans interest rate decreases by 0.15 %
Increase in profit before tax by	0.61	2.70	0.91	2.07

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

Interest Rate Swap Contracts

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

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

Outstanding Contracts*	No of Deals			Foreign Currency (FCY Millions)			Nominal Amount (₹ Crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
IRS Contracts*	5	5	5	51.33	57.78	80.00	332.60	382.16	499.76
Fair value assets / (liabilities)							4.80	(2.22)	(1.61)

* Sensitivity on the above IRS contacts in respect 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 arte swap and the interest payments on the loan are paid simultaneously and are charged of to profit and loss.

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) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

To manage trade receivables, the group 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.

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 is reviewed by the group's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as the minimize the concentration of risks and therefore mitigate financial loss due to counterparty's potential failure.

Financial assets for which loss allowance is measured:

	Note No.	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
Loans - Non-Current	8	**0.15**	0.15	0.10
Loans - Current	8	**2.74**	2.81	2.97
Other assets	10	**-**	-	0.05
Trade receivables	13	**15.15**	17.15	10.26
		18.04	**20.11**	**13.38**

As at April 1, 2015	**13.38**
Provided during the year	9.45
Reversed during the year	(2.72)
As at March 31, 2016	**20.11**
Provided during the year	0.16
Reversed during the year	(2.23)
As at March 31, 2017	**18.04**

Other than financial assets mentioned above, none of the group's financial assets are either impaired or past due, and there were no indications that defaults in payments obligation would occur.

40. 3.3 Liquidity Risk Management

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

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

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2017				
Borrowings*	964.35	1,278.38	153.48	2,396.21
Trade payables	808.90	-	-	808.90
Other financial liabilities**	105.37	-	-	105.37
	1,878.62	**1,278.38**	**153.48**	**3,310.48**
As at March 31, 2016				
Borrowings*	574.78	1,743.21	197.26	2,515.25
Trade payables	714.56	-	-	714.56
Other financial liabilities**	50.32	-	-	50.32
	1,339.66	**1,743.21**	**197.26**	**3,280.13**
As at April 1, 2015				
Borrowings*	642.76	1,595.93	231.14	2,469.82
Trade payables	581.45	-	-	581.45
Other financial liabilities**	73.75	-	-	73.75
	1,297.95	**1,595.93**	**231.14**	**3,125.02**

* including Current Maturity Non-current Borrowings.

41 Group Information

Name	Principal activities	Country of incorporation	% equity interest		
			March 31, 2017	March 31, 2016	April 1, 2015
SRF Holiday Home Limited	Develop, build & lease of Industrial, commercial & residential complexes	India	100%	100%	100%
SRF Energy Limited	Liquidated in the year ended March 31, 2016	India	—	#	100%
SRF Fluorochemicals Limited	Liquidated in the year ended March 31, 2016	India	—	#	100%
SRF Global BV	Investment holdings company	Netherlands	100%	100%	100%

Name	Principal activities	Country of incorporation	% equity interest		
			March 31, 2017	March 31, 2016	April 1, 2015
"SRF Flexipak (South Africa) (Pty) Limited (subsidiary of SRF Global BV)"	Manufacture of BOPP and metallized BOPP film	"Republic of South Africa"	100%	100%	100%
"SRF Overseas Limited (subsidiary of SRF Global BV)"	Discontinued operations in the year ended March 31, 2014	British Virgin Islands	*	100%	100%
"SRF Industries (Thailand) Limited (subsidiary of SRF Global BV)"	Manufacture of Tyre cord fabric, Polyester film and metallized PET film & trading of chemical products	Thailand	100%	100%	100%
"SRF Industex Belting (Pty) Limited (subsidiary of SRF Global BV)"	Manufacture of Belting fabrics	"Republic of South Africa"	100%	100%	100%

Upto November 4, 2015

*Upto March 7, 2017

42 Statutory Group Information

	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 (INR Crores)	As % of consolidated Share in profit or loss	Amount (INR Crores)	As % of consolidat-ed other comprehen-sive income	Amount (INR Crores)	As % of total consolidated comprehensive income	Amount (INR Crores)
I	**Parent - SRF Limited**	99%	3,144.85	81%	418.82	48%	5.33	81%	424.15
II	**Subsidiaries:**								
A	**Indian**								
1	SRF Holiday Home Limited	-	3.88	-	(0.05)	-	-	-	(0.05)
B.	**Foreign**								
1	SRF Global BV (Consolidated)	4%	115.14	19%	95.39	52%	5.89	19%	101.29
	Adjustments arising out of consolidation	(3%)	(81.21)	-	0.83	-	-	-	0.82
	Total	**100%**	**3,182.66**	**100%**	**514.99**	**100%**	**11.22**	**100%**	**526.21**
	Non-controlling Interests in all subsidiaries	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

43.1 FIRST TIME ADOPTION OF IND AS

These are the group's first consolidated financial statements prepared in accordance with Ind AS. The group has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions and certain optional exemptions availed by the group. Applicable mandatory exceptions and optional exemptions are as under:

A Mandatory Exceptions:

1) Estimates

The estimates as at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

(i) Fair Value through other comprehensive Income(FVTOCI) – unquoted equity shares

(ii) Impairment of financial assets based on expected credit loss model

The estimates used by the group to present these amounts are in accordance with Ind AS reflect conditions same as at April 1, 2015, the date of transition to Ind AS and as at March 31, 2016.

2) Derecognition of financial assets :

The group has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

3) Classification and measurement of financial Instruments :

i) Financial Instruments: (Loan to employees and security deposits paid) :

Financial assets/liabilities like loan to employees and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

ii) Financial Instruments: (Investments in Equity shares) :

The group has designated investments in equity shares held as at April 1, 2015 as fair value through Other Comprehensive Income.

iii) Impairment of financial assets: (Trade receivables and other financial assets) :

The group has applied the impairment requirements of Ind AS 109 retrospectively, however as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

B Optional Exemptions:

1 Deemed cost for property, plant and equipment and intangible assets

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. In case of property, plant and equipment, the group has elected to recognise it on fair value as on April 1, 2015 and use that as its deemed cost as of transition date.

2 Long Term Foreign Currency Monetary Items: (Long term foreign currency borrowings)

The group has elected to continue 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 differences pertaining to long term foreign currency loans obtained or re-financed on or before March 31, 2016 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.

3 Arrangements containing a lease

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the group has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as at the date of transition.

4 **Designate of previously recognized financial instrument**

The group has elected this exemption and opted to:

- Designate financial asset at FVTPL as per Ind AS 109 based on facts and circumstances as on transition date;

- Designate an investment in equity shares as FVTOCI, as per Ind AS 109, based on facts and circumstances that exists on transition date.

5 **Business combinations:**

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered business under Ind AS that occurred before April 1, 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The group recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the de recognition exception, and (ii) assets and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquirer. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements. The group has tested the goodwill for impairment at the transition date based on the conditions as of the transition date.

43.2 Reconciliation of total equity as at March 31, 2016 and April 1, 2015

Particulars	Notes	As at March 31, 2016 (end of last period presented under previous GAAP)	As at April 01, 2015 (Date of Transition)
Equity as reported under previous GAAP		**2,669.45**	**2,296.34**
Ind AS adjustments increase / (decrease):			
Impact of measuring investments at fair value through profit and Loss (FVTPL)	k	3.03	1.55
Amortisation of leasehold land	b	(6.39)	(5.39)
Impact due to Fair Valuation of Property, Plant and Equipment	a	65.14	68.75
Impact of Deferred Government Grant	p	(7.79)	(8.23)
Impact of discounting of deferred payment liability	f	3.41	4.88
Other adjustments		(1.52)	(1.61)
Classification of deferred government grant to other liability	p	(14.18)	(9.67)
Tax adjustments	o	51.83	58.12
Equity as reported under Ind AS		**2,762.98**	**2,404.74**

43.3 Reconciliation of total comprehensive income

Particulars			Notes	Year ended March 31, 2016 (latest period presented under previous GAAP)
Previous GAAP				**422.94**
Ind AS adjustments increase / (decrease):				
Impact of measuring investments at fair value through Profit and Loss (FVTPL)			k	1.47
Depreciation on fair valuation of Property, Plant and Equipment			a	13.30
Amortisation of leasehold land			b	(1.00)
Unwinding of Deferred payment liability			f	(1.46)
Actuarial (Gain) / loss on defined benefit plan transferred to other comprehensive			d	2.79
Other adjustments				(0.91)
Tax adjustments			o	(7.24)
Total adjustment to profit or loss				**6.95**
Profit or loss under Ind AS				**429.89**
Other comprehensive income				
A.	(i)	Items that will not be reclassified to profit or loss		
		- Remeasurements of the defined benefit plans	d	(2.79)
		- Gain /(loss) on change in fair value of Equity instruments		-
	(ii)	Income tax relating to items that will not be reclassified to profit or loss	o	1.09
B.	(i)	Items that will be reclassified to profit or loss		
		- Exchange differences on translation of foreign operations	q	(1.85)
		- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	n	1.20
	(ii)	Income tax on items that will be reclassified to profit or loss	o	(0.41)
		Total other comprehensive income (A(i+ii) + B(i+ii))		**(2.76)**
		Total comprehensive income under Ind AS		**427.13**

Note: No statement of comprehensive income was produced under previous GAAP. Therefore the above reconciliation starts with profit under previous GAAP.

43.4 Effect of Ind AS adoption on the consolidated balance sheet as at March 31, 2016 and April 1,2015

Particulars	Notes	As at March 31, 2016 (End of last period presented under previous GAAP)			As at April 1, 2015 (Date of transition)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Opening Ind AS balance sheet
ASSETS							
Non-current assets							
Property, Plant and Equipment	a,b	4,015.10	(1.75)	4,013.35	3,815.79	7.18	3,822.97
Capital work-in-progress		117.44	-	117.44	104.12	-	104.12
Goodwill	e	4.54	0.37	4.91	4.91	-	4.91
Other Intangible assets		94.26	-	94.26	101.63	-	101.63
Financial Assets							

Particulars	Notes	As at March 31, 2016 (End of last period presented under previous GAAP)			As at April 1, 2015 (Date of transition)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Opening Ind AS balance sheet
Investments		4.33	-	4.33	0.05	-	0.05
Loans	i,j	32.56	(2.26)	30.30	36.86	(2.35)	34.51
Deferred tax assets		77.93	51.77	129.70	70.83	43.46	114.29
Other non-current assets	b,i	185.89	(10.19)	175.70	103.45	5.85	109.30
Total Non - Current Assets		**4,532.05**	**37.94**	**4,569.99**	**4,237.64**	**54.14**	**4,291.78**
Current assets							
Inventories	a	704.98	(33.93)	671.05	763.50	(33.93)	729.57
Financial Assets							
Investments	k	157.57	3.03	160.60	94.22	1.56	95.78
Trade receivables		514.48	-	514.48	610.65	-	610.65
Cash and cash equivalents		339.88	-	339.88	99.07	-	99.07
Bank balances other than above		49.35	-	49.35	8.22	-	8.22
Loans	j	11.67	(0.15)	11.52	9.30	-	9.30
Other financial assets		40.68	1.72	42.40	3.65	1.51	5.16
Other current assets	b,i	196.93	(2.55)	194.37	127.71	(2.86)	124.85
Total Current Assets		**2,015.54**	**(31.88)**	**1,983.66**	**1,716.32**	**(33.72)**	**1,682.60**
Total Assets		**6,547.59**	**6.06**	**6,553.64**	**5,953.96**	**20.42**	**5,974.38**
EQUITY AND LIABILITIES							
Equity							
Equity Share capital		58.44	-	58.44	58.44	-	58.44
Other Equity		2,611.01	93.53	2,704.54	2,237.90	108.40	2,346.30
Total equity		**2,669.45**	**93.53**	**2,762.98**	**2,296.34**	**108.40**	**2,404.74**
Liabilities							
Non-current liabilities							
Financial Liabilities							
Borrowings	c,f	1,951.64	(11.17)	1,940.47	1,838.16	(11.09)	1,827.07
Provisions		18.62	6.51	25.13	16.71	5.85	22.56
Deferred tax liabilities (Net)	o	477.65	(95.62)	382.03	409.42	(90.82)	318.60
Other non-current liabilities	p	-	21.84	21.84	-	17.43	17.43
Total Non - Current Liabilities		**2,447.90**	**(78.44)**	**2,369.47**	**2,264.29**	**(78.63)**	**2,185.66**
Current liabilities							
Financial Liabilities							
Borrowings		189.26	-	189.26	236.23	-	236.23
Trade payables		714.55	0.01	714.56	581.45	-	581.45
Other financial liabilities	c	445.40	(9.56)	435.84	490.11	(9.84)	480.27
Provisions		6.03	-	6.03	6.17	-	6.17
Current Tax Liabilities		3.12	-	3.12	5.40	0.02	5.42
Other current liabilities	p	71.88	0.50	72.38	73.97	0.47	74.44
Total Current Liabilities		**1,430.24**	**(9.05)**	**1,421.19**	**1,393.33**	**(9.35)**	**1,383.98**
Total Equity and Liabilities		**6,547.59**	**6.06**	**6,553.64**	**5,953.96**	**20.42**	**5,974.38**

Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirments for the purpose of this note.

43.5 Effect of Ind AS adoption on the consolidated statement of profit and loss and other comprehensive income for the year ended March 31, 2016

	Particulars	Notes	For the year ended March 31, 2016 (End of last period presented under previous GAAP)		
			Previous GAAP	Effect of transition to Ind AS	Ind AS
I	Revenue from operations	g,h	4,600.12	298.15	4,898.27
II	Other Income	i,j,p	27.26	0.58	27.84
III	**Total Revenue (I + II)**		**4,627.38**	**298.73**	**4,926.11**
IV	**EXPENSES**				
	Cost of materials consumed		2,278.48	-	2,278.48
	Purchases of stock-in-trade		35.04	-	35.04
	Changes in inventories of finished goods, work-in-progress and stock-in-trade		17.05	-	17.05
	Excise duty on sale of goods	g	-	305.55	305.55
	Employee benefits expense	j	389.03	(2.70)	386.33
	Finance costs	c,f	128.31	2.15	130.46
	Depreciation and amortisation expense	a,b,e	289.15	(14.19)	274.96
	Other expenses	b,h	919.57	(6.27)	913.30
	Total Expenses (IV)		**4,056.63**	**284.54**	**4,341.17**
V	**Profit before tax (III - IV)**		**570.75**	**14.19**	**584.94**
VI	Tax Expense		147.81	7.24	155.05
VII	**Profit for the period (V - VI)**		**422.94**	**6.95**	**429.89**
VIII	**Other comprehensive income**				
	A (i) Items that will not be reclassified to profit or loss				
	Remeasurements of the defined benefit obligation	d	-	(2.79)	(2.79)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	o	-	1.09	1.09
	B (i) Items that will be reclassified to profit or loss				
	(a) Effective portion of gains and loss on hedging instruments in a cash flow hedge	n	-	1.20	1.20
	(b) Exchange differences on translation of foreign operations	q		(1.85)	(1.85)
	Income tax on items that may be reclassified to profit or loss	o	-	(0.41)	(0.41)
	Total other comprehensive income (A(i+ii) + B(i+ii))		**-**	**(2.76)**	**(2.76)**
IX	**Total comprehensive income for the period (VII + VIII)**		**422.94**	**4.19**	**427.13**

Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirments for the purpose of this note.

43.6 Effect of Ind AS adoption on the statement of cash flows

Particulars	Notes	Year ended March 31 ,2016 (End of last period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Previous GAAP				
Net cash flows from operating activities		1,090.04	-	1,090.04
Net cash flows from investing activities		(666.74)	-	(666.74)
Net cash flows from financing activities		(182.49)	-	(182.49)
Net increase (decrease) in cash and cash equivalents		**240.81**	**-**	**240.81**
Cash and cash equivalents at beginning of period		99.07	-	99.07
Cash and cash equivalents at end of period		**339.88**	**-**	**339.88**

43.7 Notes to first time adoption

(a) The group has elected to recognise its property, plant and equipment (PPE) on fair value as on April 1, 2015 and use that as its deemed cost as of transition date. As on the transition date such fair value adjustment of ₹ 68.75 crores is done in retained earnings in the opening balance sheet and corresponding changes in depreciation of ₹ 16.24 crores in Financial Year 2015-16 and gain of ₹ 1.61 crores on disposal of such PPE has been adjusted in the statement of profit and loss.

Spares, other than insurance spares were classified as inventory under existing IGAAP. However under Ind-AS, spare parts are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment. Such stores and spares amounting to ₹ 33.93 crores have been capitalised under Ind AS at the transition date. In relation to spares reclassified from stores and spares to Property, plant and equipment as on transittion date, there is no consumption under Indian GAAP during FY 15-16. Under Ind AS for the year ended March 31, 2016, the group has recorded ₹ 1.33 crores as the depreciation on such spares in statement of profit or loss.

(b) Under previous GAAP, the leasehold land was considered as part of property, plant and equipment and treated as perpetual lease. Accordingly, in FY 2015-16 no amortisation was charged. As per Ind AS-17 leasehold land Rs 95.50 crores has now been classified as operating lease and the premium paid on leasehold land is amortized over the period of the lease which amounts Rs 1.00 crores in FY 2015-16. The proportionate unamortized amount of Rs 5.39 crores upto the date of transition is adjusted against retained earnings in the opening balance sheet.

(c) Under previous GAAP, transaction costs incurred in connection with borrowings are amortized over the period of borrowings. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in profit or loss over the tenure of the borrowings as part of interest expense using effective interest rate method. Further, as per previous GAAP such unamotised amount was disclosed as prepaid asset which as per Ind AS now are netted off with related borrowings.

(d) Under previous GAAP in respect of defined benefit plan, actuarial gains and losses were recognized in profit or loss. Under Ind AS, the actuarial gains and losses forming part of re-measurement of the net defined benefit liability / asset is recognized in other comprehensive income. Consequently, the tax effect of the same has also been recognized in other comprehensive income under Ind AS instead of profit or loss. There is no impact on the total equity.

(e) Under previous GAAP, goodwill is amortized. Under Ind AS, goodwill is not amortised but to be tested for impairment. Accordingly, adjustment has been passed for reversal of amortisation of ₹0.37 crore booked under Indian GAAP for the year ended March 31, 2016.

(f) Under previous GAAP, deferred payment consideration payable in relation to a business combination was recorded at the contractual value. Under Ind AS such consideration is required to be measured at fair value. Difference between carrying amount of liability and fair value at the transition date is recorded in retained earnings. For the year ended on March 31, 2016, increase in interest cost was charged in the statement of profit and loss.

(g) Under previous GAAP, revenue from sale of goods was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of goods includes excise duty. The corresponding excise duty expense ₹ 305.55 crores is presented separately on the face of the statement of profit and loss. The change does not affect total equity as on April 1, 2015 and March 31, 2016 and profit for the year ended March 31, 2016.

(h) Under previous GAAP, cash discount was shown under other expenses. However, under Ind AS, sale of goods is presented net of cash discount of Rs 7.40 crores. Thus sale of goods under Ind AS has decreased for the year ended March 31, 2016 with a corresponding decrease in other expenses. The change does not affect total equity as on April 1, 2015 and March 31, 2016 and profit for the year ended March 31, 2016.

(i) Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Difference between the fair value and transaction value of the security deposits has been recognized as prepaid rent is amortized over the lease period on straight line basis. Notional interest income on such deposits is recognized over the lease period using effective interest method. There is no impact on retained earnings at the transition date. For the year ended March 31, 2016 the amortization of expense and interest income was taken to statement of profit and loss under the head other expenses and other income respectively.

(j) Under the previous GAAP, the loan given by the group to its employees were carried at book value. However, under Ind AS, these loans are required to be measured initially at fair value on the date of transition and subsequently at amortized cost. Difference between the fair value and transaction value of such loan to employees has been recognized as prepaid employee benefit expense is amortized over the loan period on straight line basis. Notional interest income on such loans is recognized over the loan period using effective interest method. There is no impact on retained earnings at the transition date. For the year ended March 31, 2016 the amortization of such prepaid personnel expenditure and interest income was taken to statement of profit and loss under the head employee benefit expense and other income respectively.

(k) Under the previous GAAP, investment in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and net realizable value. Under Ind AS, these investments are required to be measured at fair value through profit & loss account (FVTPL). The resulting fair value changes of these investments Rs 1.56 crores have been recognized in retained earnings as at the date of transition and subsequently ₹ 1.47 crores in the profit and loss for the year ended March 31, 2016.

(l) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.

(m) The transition from Indian GAAP to Ind-AS had no significant impact on cash flows generated by the group.

(n) Under Ind AS, effective portion of fair value gains and losses of hedging instruments designated in a cash flow hedge relationship is recognized in other comprehensive income and taken to FVTOCI reserve in equity, whereas under previous GAAP there was no such concept of other comprehensive income and all such gains and losses were directly recognized in cash flow hedge reserves in other equity. Consequently, the tax effect of the same has also been recognized in other comprehensive income under FVTOCI reserve.

(o) Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the group has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity. Such adjustments amounts to ₹ 51.83 crores as at March 31, 2016 and ₹ 58.12 crores as at April 1, 2015.

(p) Under previous GAAP, certain asset related grant were shown as a reduction from the related assets. Ind AS requires an asset related grant to be presented in the balance sheet by setting up the grant as deferred income. Since the group has opted for fair valuation of Property, plant and equipment, the corresponding impact was taken in retained earnings at the transition date. Subsequently the income in relation to such grant is recognized in statement of profit and loss for the year ended March 31, 2016.

(q) Under Indian GAAP, the group recognized translation differences on foreign operations in a separate component of equity directly. Under Ind AS, Cumulative translation differences for all foreign operations is recognized in other comprehensive income and taken to foreign currency translation reserve in equity.

(r) Under Indian GAAP, MAT credit forms part of non-current assets which as per requirment of Ind AS 12 has been shown part of deferred tax assets. (As at March 31, 2016 : Rs 95.43 crores; as at April 1, 2015: ₹ 76.16 crores)

(s) Grouping of mark to market (MTM) of interest rate swaps designated in hedge relationship through other comprehensive income. (As at March 31, 2016: 2.22 crores ; As at April 1, 2015: ₹ 1.61 crores)

44 ADDITIONAL DISCLOSURES

a RESEARCH AND DEVELOPMENT EXPENDITURE

The details of research and development expenditure of ₹ 137.19 crores (Previous Year - ₹ 78.90 crores) included in notes 4 to 30 above are as under:

	For the year ended March 31, 2017	For the year ended March 31, 2016
Capital Expenditure	65.27	22.30
Revenue Expenditure	71.92	56.60
	137.19	**78.90**

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
Cost of material consumed	2.15	1.46
Salaries and wages, including Bonus	26.18	21.95
Contribution to provident and other funds	1.55	1.41
Workmen and staff welfare expenses	2.16	1.83
Stores and spares consumed	4.30	4.10
Power and fuel	3.25	2.31
Rent	0.98	1.07
Repairs and maintenance		
- Buildings	0.02	0.73
- Plant and machinery	9.13	5.47
-Others	1.58	1.38
Insurance	0.31	0.24
Rates and taxes	0.05	0.05
Travel	2.82	1.42
Professional and legal charges	3.64	2.41
Depreciation and amortisation expense	11.10	8.06
Miscellaneous expenses	2.70	2.71
	71.92	**56.60**

b MANAGERIAL REMUNERATION

	Year Ended March 31, 2017	Year Ended March 31, 2016
(i) (a) Chairman / Managing Director / Deputy Managing Director / Whole time Director		
Salary and Contribution to Provident and other funds	6.04	5.08
Value of Perquisites	3.02	2.91
Commission (Provided)	5.45	4.75
SUB-TOTAL	**14.51**	12.74
(b) Non Executive Directors		
Commission (Provided)	0.40	0.35
Directors' Sitting Fees	0.29	0.29
Other Fees	0.13	0.13
SUB-TOTAL	**0.82**	**0.77**
TOTAL	**15.33**	**13.51**

(c) The group has elected to continue 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 difference gain of ₹ 46.87 Crores arising on all long term monetary items financed or re-financed on or before March 31, 2016 relating to acquisition of depreciable assets are deducted from the cost of such assets/capital work in progress and will be depreciated over the balance useful life of assets. The unamortized portion carried forward as at March 31, 2017 is ₹ 212.55 Crores.

(d) During the financial year 2016-17, the group has incurred ₹ 7.60 Crores (previous year – ₹ 8.75 Crores), being the amount required to be spent on corporate social responsibility activities under section 135 of the Companies Act, 2013.

(e) Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 :

(Amount in ₹)

Description	SBN'S			Other Denomination	Total
	Denomination	Number	Amount		
Closing Cash in hand as on November 8, 2016	1,000	805	805,000		
	500	3,938	1,969,000		
			2,774,000	**1,239,369**	**4,013,369**
(+) permitted receipts			-	5,796,770	5,796,770
(-) Permitted Payments			-	(5,490,903)	(5,490,903)

(Amount in ₹)

	SBN'S				
(-) Amount deposited in Banks	1,000	805	(805,000)	-	(805,000)
	500	3,938	(1,969,000)	-	(1,969,000)
			(2,774,000)	**305,867**	**(2,468,133)**
Closing cash in hand as on 30.12.2016			-	**1,545,236**	**1,545,236**

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN - 00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO & Company Secretary

Place : Gurgaon
Date : May 22, 2017

Statement persuant 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 fom AOC-1 relating to subsidaries/ associates companies/joint ventures

A Statement showing sailent features of the financial statements of subsidaries

Indian Subsidiaries

S. No.	Name of the subsidiary	SRF Holiday Home Limited (₹ Crores)
(a)	Reporting Period	April 1, 2016 to March 31, 2017
(b)	Date since when subsidiary was acquired	30.01.2008
(c)	Reporting Currency	INR
(d)	Exchange Rate	-
(e)	Share Capital	4.00
(f)	Reserves and Surplus	(0.12)
(g)	Total Assets	3.88
(h)	Total Liabilities(external liabilities)	0.006
(i)	Investment	-
(j)	Turnover	-
(k)	Profit/(Loss) Before Taxation	(0.05)
(l)	Tax expense / (income)	-
(m)	Profit/(Loss) After Taxation	(0.05)
(n)	Proposed Dividend	-
(o)	% of shareholding	100%

Foreign Subsidiaries

S. No.	Name of the subsidiary	SRF Global BV#		SRF Flexipak (South Africa)(Pty) Limited# (subsidiary of SRF Global BV)	
		USD	₹ Crores	Rand	₹ Crores
(a)	Reporting Period	1 April 2016 to 31 March, 2017		April 1, 2016 to March 31, 2017	
(b)	Date since when subsidiary was acquired	20.10.2008		26.10.2011	
(c)	Reporting Currency	USD		Rand	
(d)	Exchange Rate	64.79		4.859	
(e)	Share Capital	18,315,664.00	118.67	100.00	
(f)	Reserves and Surplus	(16,843,718.00)	(109.13)	(15,457,584.00)	(7.51)
(g)	Total Assets	63,416,866.00	410.88	739,562,595.00	359.35
(h)	Total Liabilities	61,944,920.00	401.34	755,020,079.00	366.86
(i)	Investment	*	*	-	-
(j)	Turnover	980,300.00	6.35	710,453,233.00	345.21
(k)	Profit/(Loss) Before Taxation	(12,610,500.00)	(81.70)	166,262,272.00	80.79
(l)	Tax expense / (income)	-	-	(45,948,121.00)	(22.33)
(m)	Profit/(Loss) After Taxation	(12,610,500.00)	(81.70)	120,314,151.00	58.46
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

* Investment in subsidiary USD 30091805 (Equivalent to ₹ 199.03 crores)

S. No.	Name of the subsidiary	SRF Overseas Limited#@ (subsidiary of SRF Global BV)		SRF Industries (Thailand) Limited# (subsidiary of SRF Global BV)	
		AED	₹ Crores	THB	₹ Crores
(a)	Reporting Period	1 April 2016 to March 7, 2017		April 1, 2016 to March 31, 2017	
(b)	Date since when subsidiary was acquired	04.07.1994		08.09.2008	
(c)	Reporting Currency	AED		THB	
(d)	Exchange Rate	18.484		1.886	
(e)	Share Capital	84,049,966.00	155.36	100,000,000.00	18.86
(f)	Reserves and Surplus	(47,344,592.00)	(87.51)	449,442,085.00	84.76
(g)	Total Assets	36,705,371.00	67.85	3,257,087,851.00	614.29
(h)	Total Liabilities	-		2,707,645,766.00	510.66
(i)	Investment	-		-	-
(j)	Turnover	748,050.00	1.38	3,036,332,032.00	572.65
(k)	Profit/(Loss) Before Taxation	748,050.00	1.38	235,515,227.00	44.42
(l)	Tax expense / (income)	-		(57,431.00)	(0.01)
(m)	Profit/(Loss) After Taxation	748,050.00	1.38	235,457,796.00	44.41
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

@ SRF overseas limited liquidated during Financial Year 2016-17

S. No.	Name of the subsidiary	SRF Industex Belting (Pty) Limited# (subsidiary of SRF Global BV)	
		Rand	₹ Crores
(a)	Reporting Period	April 1, 2016 to March 31, 2017	
(b)	Date since when subsidiary was acquired	13.06.2008	
(c)	Reporting Currency	Rand	
(d)	Exchange Rate	4.859	
(e)	Share Capital	13,320,202.00	6.47
(f)	Reserves and Surplus	(7,143,062.00)	(3.47)
(g)	Total Assets	83,480,689.00	40.56
(h)	Total Liabilities	63,017,425.00	30.62
(i)	Investment	-	
(j)	Turnover	131,687,220.00	63.99
(k)	Profit/(Loss) Before Taxation	(8,899,208.00)	(4.32)
(l)	Tax expense / (income)	(718,598.00)	(0.35)
(m)	Profit/(Loss) After Taxation	(9,617,806.00)	(4.67)
(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 AED = ₹18.484
(ii) 1 USD = ₹ 64.790
(iii) 1 Baht = ₹ 1.886
(iv) 1 Rand = ₹ 4.859

B Statement containing sailent 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	31.03.2016	31.03.2016
Date on which the Associate was associated or acquired	09.01.2007	29.05.2013
Shares of associate held by the company on the year end		
Number of shares	4221535	50000
Amount of investment in Associate Companies (₹/Crores)	4.22	0.05
Extent of holding (%)	22.60%	26.32%
Description of how there is significant influence	Due to control of at least 20% of total share capital as envisaged in Sec. 2(6) of the Companies Act, 2013	Due to control of at least 20% of total share capital as envisaged in Sec. 2(6) of the Companies Act, 2013
Reason why the associate company is not consolidated	*	*
Net worth attributable to shareholding as per latest Audited Balance Sheet	3.76	6.41
Profit & loss for the year		
(i) Considered in Consolidation	Nil	Nil
(ii) Not considered in Consolidation	(1.12)	0.58

The company has no joint venture

* Investment in both these group captive power companies are held by the company as a conumer 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 therfore their annual accounts are not consolidated with the annual accounts of the company.

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN - 00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO & Company Secretary

Place : Gurgaon
Date : May 22, 2017

SRF LIMITED
(CIN: L18101DL1970PLC005197)
Regd. Office: C-8, Commercial Complex, Safdarjung Development Area,New Delhi-110016
Corp. Office : Block-C, Sector-45, Gurgaon-122 003, Haryana
Email: info@srf.com website: www.srf.com Tel. No: (+91-11) 26857141, (+91-124) 4354400 Fax: (+91-124) 4354500

ADMISSION SLIP

LAXMIPAT SINGHANIA AUDITORIUM, PHD HOUSE,
4/2 SIRI INSTITUTIONAL AREA, AUGUST KRANTI MARG, NEW DELHI-110 016

Tuesday, August 8, 2017 3.30 P.M.

PARTICULARS TO BE COMPLETED BY SHAREHOLDER/PROXY

I /We hereby record my/our presence at the **46th Annual General Meeting** of **SRF LIMITED**

DP Id/Client Id/ Registered Folio No……………………..........................

Name of the Shareholder/Proxy……………………….........................

No. of shares held……………………………………………….................

……………………………………..
Signature(s) of person(s) attending

Notes:
1. Please produce this admission slip duly completed at the entrance for admission to the meeting hall.
2. The attendance counter will open at 2:30 p.m.
3. Tea, coffee and cold drinks will be served at the meeting.
4. Please bring your copy of the Annual Report to the meeting.

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PROXY FORM

(Form No. MGT-11)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s)		Email Id	
Registered Address		Folio No./ DP ID-Client ID	

I/We being the member(s) of …………….. shares of the above named Company hereby appoint :

(1) Name:…………………………………………Address: ………………………………………………
Email Id: …………………………………………………Signature…………………… or falling him;

(2) Name:…………………………………………Address: ………………………………………………
Email Id: …………………………………………………Signature…………………… or falling him;

(3) Name:…………………………………………Address: ………………………………………………
Email Id: …………………………………………………Signature……………………

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46th Annual General Meeting of **SRF LIMITED** to be held on Tuesday, 8 August 2017 at 3.30 p.m. at the Laxmipat Singhania Auditorium, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016 and at any adjournment thereof in respect of such resolutions as are contained in Notice.

Signed this ____________________day of _________________2017

Affix ₹ 1/- Revenue Stamp

Signature of Shareholder……………………….. Signature of Proxy holders (s) …………………..

Notes:
1. A Proxy in order to be effective must reach the Registered Office of the Company not less than 48 hours before the scheduled time of the meeting
2. The member himself or his constituted attorney may sign the proxy
3. Where a proxy is appointed, the member should hand over the attached admission slip to the proxy
4. The Company reserves the right to ask for identification of the proxy
5. A proxy cannot speak at the meeting or vote on a show of hands.
6. Shareholder may vote either for or against each resolution

SRF
We always find a better way

Registered Office

C - 8, Commercial Complex, Safdarjung Development Area, New Delhi - 110 016, India

Corporate Office

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

Tel: 0124-4354400 | Fax: 0124-4354500 | Web: www.srf.com

Concept, & Design
WYATT Prism COMMUNICATIONS
(info@wyatt.co.in)